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CITY & COUNTY OF SAN FRANCISCO



EDWIN M. LEE, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY  
ONE AVENUE OF THE PALMS,  
BLDG. ONE, 2<sup>ND</sup> FLOOR, TREASURE ISLAND  
SAN FRANCISCO, CA 94130  
(415) 274-0660 FAX (415) 274-0299  
[WWW.SFGOV.ORG/TREASUREISLAND](http://WWW.SFGOV.ORG/TREASUREISLAND)

## \*\*NOTICE OF SPECIAL MEETING\*\* TREASURE ISLAND DEVELOPMENT AUTHORITY

**NOTICE IS HEREBY GIVEN** that the regular November 11, 2015 Treasure Island Development Board Meeting is **canceled**.

The meeting has been **rescheduled to Wednesday, November 18, 2015 at 7:00PM at the Casa de la Vista, 191 Avenue of the Palms, Treasure Island**, San Francisco, California. An agenda shall be posted 72 hours prior to the Special Meeting.

*115  
canceled*  
Prior to the TIDA Board Meeting, a **Community Drop-In/Open House Event** will take place **5:30pm to 7:00pm** at the Casa de la Vista, 191 Avenue of the Palms, Treasure Island, San Francisco, California. Representatives from the Treasure Island Development Authority, Treasure Island Community Development, and the Treasure Island Mobility Management Agency will be present to provide information and answer questions about the development program and upcoming activities as development begins next year.

### Treasure Island Development Authority

D-500-15R1123 RCD

GOVERNMENT  
DOCUMENTS DEPT

OCT 30 2015

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*Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, One Avenue of the Palms, Second Floor, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.*

*If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2<sup>nd</sup> Floor, One Ave. of Palms, San Francisco, CA 941130 during normal office hours.*

#### **Disability Access**

The Treasure Island Development Authority is holding this special meeting at the Treasure Island Casa de la Vista, Building 271, 191 Avenue of the Palms, Treasure Island, San Francisco, CA. The Casa de la Vista is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) at least 72 hours prior to the meeting to help ensure availability.

MUNI bus line serving the area is the 108 line. Accessible curbside parking is available on Avenue of the Palms. For more information about MUNI accessible services, call 923-6142. For those persons requiring driving information, please call the TIDA Commission Secretary, at 274-0660.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based scented products. Please help the City to accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

#### **Lobbyist Ordinance**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

#### **KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE**

(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact: Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at [sotf@sfgov.org](mailto:sotf@sfgov.org).

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the SOTF or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org>

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TREASURE ISLAND DEVELOPMENT AUTHORITY  
MEETING AGENDA

November 18, 2015 – 7:00PM

Casa de la Vista, Treasure Island  
191 Avenue of the Palms, San Francisco, CA 94130

DIRECTORS

V. Fei Tsen, President  
Larry Mazzola, Jr., VP  
Linda Fadeke Richardson  
Hon. Jane Kim (Ex-Officio)

Jean-Paul Samaha, Secretary  
Mark Dunlop, CFO  
Jeff Kositsky

Robert Beck, Treasure Island Director  
Kate Austin, Commission Secretary

GOVERNMENT  
DOCUMENTS DEPT

NOV 16 2015

ORDER OF BUSINESS

1. Call to Order and Roll Call

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2. General Public Comment

This item is to allow members of the public to address the Treasure Island Development Authority Board ("Authority Board") on matters that are within the subject matter jurisdiction of the Authority Board and that do not appear on the agenda. In addition to General Public Comment, Public Comment will be held after each item on the agenda.  
*(Discussion Item)*

*Estimated Length of Item: 15 minutes*

3. Report by Treasure Island Director

This item is to allow the Treasure Island Director to report on Island Operations and Development activities including leasing, health and public safety, utilities, budget, Quality of Life issues, social services and on-Island events, the status of environmental remediation and coordination with the Department of the Navy, interactions with other City and State agencies, progress with Treasure Island Community Development in implementation of the Disposition and Development Agreement and related plans, and other activities related to the transfer and development of the former Naval Station

Treasure Island. (*Discussion Item*)  
*Estimated Length of Item: 30 minutes*

4. Communications From and Received by TIDA (*Discussion Item*)  
*Estimated Length of Item: 5 minutes*

5. Ongoing Business by Board of Directors (*Discussion Item*)  
*Estimated Length of Item: 5 minutes*

6. CONSENT AGENDA (*Action Items*)  
*Estimated Length of Item: 5 minutes*

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

- a. Approving the Minutes of the October 14, 2015 Meeting
- b. Resolution Approving Fiscal Year 2015/2016 Minimum Monthly Rental Rate Schedule
- c. Resolution Approving and Authorizing the Execution of Lease No. 1,009 with LIFE LEARNING ACADEMY, INC. a California non-profit corporation for Building 229, Treasure Island
- d. Resolution authorizing the Treasure Island Director to enter into an Agreement with AT&T to extend the term of three existing easements for AT&T infrastructure from November 28, 2015, through December 31, 2017

7. Resolution Approving and Authorizing the Execution of Lease No. 1,012 with Abdo Ali Nasser, a sole proprietor, dba Island Market & Deli, to relocate Island Cove Market to Building 201, Treasure Island. (*Action Item*)  
*Estimated Length of Item: 10 minutes*

8. DPH Clinic Re-Opening (*Informational Item*)  
*Estimated Length of Item: 5 minutes*

9. YMCA Presentation (*Informational Item*)  
*Estimated Length of Item: 5 minutes*

10. Development Activities Forecast (*Informational Item*)  
*Estimated Length of Item: 25 minutes*

11. Adjourn

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The nearest accessible BART station is Civic Center Plaza at the intersection of Market, Grove, and Hyde Streets. The accessible MUNI Metro lines are the J, K, L, M, and N (Civic Center Station or Van Ness Avenue Station). MUNI bus lines serving the area are the 47 Van Ness, 9 San Bruno, and the 6, 7, 71 Haight/ Noriega. Accessible curbside parking is available on 1 Dr. Carlton B. Goodlett Place and Grove Street. For more information about MUNI accessible services, call 923-6142.

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**TREASURE ISLAND DEVELOPMENT AUTHORITY FINANCIAL STATEMENT**

**SUMMARY OF REVENUES & EXPENDITURES**

Fiscal Year 2014-2015 – Data as of 11/05/2015

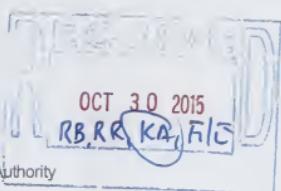
REVENUES		Budgeted Revenue (B)	Actuals (A)	Variance (A-B) (AP)	VTD (AVB)
Revenue Source					
TI JOINT VENTURE - WINE VALLEY	120,000	-	(120,000)	0%	
TIDA SPECIAL EVENTS	430,000	357,211	(72,790)	83%	
COMMERCIAL PAYMENTS	3,840,770	1,656,367	(2,184,403)	43%	
FILM	35,000	16,500	(18,500)	47%	
YBI CELLSITES/BANNER	325,830	80,700	(245,130)	25%	
MARINA	90,000	30,275	(59,725)	34%	
HOUSING CAM	479,472	86,654	(392,818)	18%	
JOHN STEWART CO.	3,689,470	121,142	(3,568,328)	3%	
<i>Total</i>	<i>9,010,542</i>	<i>2,348,848</i>	<i>(6,661,694)</i>	<i>26%</i>	

EXPENDITURES					
Description	Revised Budget	VTD Actuals	Expenditures	Balance	
021 NON PERSONNEL SERVICES	(6,321,223)	(355,286)	(1,645,059)	(4,320,878)	
040 MATERIALS & SUPPLIES	(59,929)	(11,616)	(40,073)	(8,239)	
081 SERVICES OF OTHER DEPTS	(11,910,792)	(15,377)	(8,693,628)	(3,201,787)	
<i>Grand Total</i>	<i>(18,291,944)</i>	<i>(382,279)</i>	<i>(10,378,760)</i>	<i>(7,530,904)</i>	

Sources: GSA Accounting, Executive Information System





## MEMORANDUM

To: Bob Beck, Treasure Island Director, Treasure Island Development Authority

cc: John Stewart, JSCo      Dan Stone, JSCo      Steve McElroy, JSCo  
Sonya Rosenbach, JSCo    Loren Sanborn, JSCo    Connie Le, JSCo  
Jack Gardner, JSCo           Lynny Lee, JSCo

From: Lavinia Marlin

Date: 10/13/2015

Subject: Percentage Rent for Treasure Island Housing Project Sublease for Sep 2015

Enclosed is our payment of Percentage Rent in the amount of \$1,309 for the Sep 2015 period, calculated per the sublease agreement.

### Calculation of Funds Available for Distribution

TIDA receives 95% revenues remaining after adjusting gross revenues by operating expenses, current accretion due and the repayment of ledger balances based on sublease specifications. Funds expended for replacement reserve eligible items are expensed in the period expenses are recognized. To the degree that these costs are reimbursed from the replacement reserve account, percentage rent will be adjusted in the period that the reserve draw is approved.

For the month of Sep 2015 , actual Total Revenues were about 1.46% below budgeted Total Revenues. Total expenses for Sep 2015 were approximately 32.36% above budgeted for the month. The result was that Funds Available for Sep 2015 Distribution were \$1,378 or about 99.41% below budgeted amounts. This significant variance is primarily the result of the major ongoing project of preparing the Treasure Island units for the transition of Yerba Buena Island households in anticipation of redevelopment activities as directed by TIDA. The 90-day relocation notices were sent to the YBO households in early June 2015 and the moves are beginning to commence and will occur through early September 2015. These over budgeted expenditures make up 94% of the variance in the amount eligible for % rent distribution. Should you have any further questions on the transition program, please contact Lavinia at [lmarlin@jesco.net](mailto:lmarlin@jesco.net).

### Calculation of Percentage Rent

Based on operations, a total of \$1,378 in adjusted Gross Revenues after costs of operations are available for distribution for the Sep 2015 period. These revenues are distributed as follows:

<u>Sep 2015 Distributions</u>	<u>Sep 2015</u>	<u>Sep 2015</u>
	<u>Actual</u>	<u>Budgeted</u>
Available for Distribution	\$1,378	\$235,484
Percentage rent for TIDA	\$1,309	\$223,691
Net Disbursed as percentage rent to TIDA	\$1,309	\$223,691
Percentage rent for JSCO	\$ 69	\$11,773

This percentage rent breakdown reflects the current year split by TIDA/JSCo. Beginning with new sublease executed at September 2014, TIDA receives 95% of revenues after expenses, while the John Stewart Company percentage is 5% of the amount.

**Comparison to Budget**  
Draw 12

9/30/2015

		September-15			YEAR TO DATE (T.I.D.A version)		
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance
Total Revenue	904,242	917,623	(13,381)	-1.46%	2,763,283	2,752,893	10,390
Marketing Expenses	10,044	4,273	5,771	135.05%	19,963	12,821	7,142
Administrative Expenses	85,836	80,945	4,981	6.17%	259,386	242,893	16,493
Utilities	159,652	162,135	(2,483)	-1.63%	485,482	486,410	(928)
Operating and Maintenance	510,814	215,803	285,011	136.70%	1,320,888	647,548	673,341
Taxes and Insurance	65,493	70,674	(6,181)	-7.33%	193,131	212,059	(18,928)
Asset Management Fee	53,785	-	-	0.00%	-	-	-
Base Rent	45,916	7,868	7,868	17.14%	161,366	137,756	23,600
Reserves	11,650	(11,560)	-100.00%	-	34,830	(34,680)	-100.00%
Replacement (excl. anticipated draw)	17,140	90,833	(73,693)	-81.13%	84,455	272,503	(188,048)
Total Expenses	902,884	682,139	220,726	32.36%	2,554,662	2,046,670	477,982
Available for Distribution	1,378	235,484	(234,106)	-99.41%	238,631	706,223	(467,592)
Available for Distribution	1,378	235,484	(234,106)	-99.41%	238,631	706,223	(467,592)
TIDA	1,309	223,681	(222,382)	-98.41%	226,699	671,081	444,382
JSCo	69	11,773	(11,704)	-98.41%	11,932	35,322	23,390
TIDA % Rent Payback		2010 Audit Disbursement Reduction					
Net Disbursed as Percentage rent to TIDA		1.30%					

Financial Statement													
Period		Revenue		Expenses		Equity		Assets		Liabilities		Net Assets	
Item	Description	Amount	Amount	Amount	Amount								
Total Revenue	519	517	516	514	512	512	512	512	512	512	512	512	512
Units rented or occupancy at Beginning of month	519	517	516	514	512	512	512	512	512	512	512	512	512
Subtotal: Disbursements not Disbursed during month	519	517	516	514	512	512	512	512	512	512	512	512	512
Total Net Revenue	2014	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
REVENUE FROM OPERATIONS													
Total Gross Rent Potential	1,160,830	1,173,930	1,181,107	1,192,065	1,194,008	1,195,194	1,195,194	1,195,194	1,195,194	1,195,194	1,195,194	1,195,194	1,195,194
Total Financial Income	(240,797)	(250,150)	(240,855)	(227,518)	(190,202)	(232,812)	(214,842)	(215,342)	(225,285)	(219,342)	(225,285)	(186,878)	(186,878)
Financial Income (Interest Income)	(240,797)	(250,150)	(240,855)	(227,518)	(190,202)	(232,812)	(214,842)	(215,342)	(225,285)	(219,342)	(225,285)	(186,878)	(186,878)
Credit Check Revenue (Late Fees, NSF, Credit & Ms)													
Other Revenue (Late Fees, NSF, Credit & Ms)	931,332	926,166	945,862	937,094	946,833	944,494	942,499	943,420	945,815	943,225	942,424	942,424	942,424
EXPENSES FROM OPERATIONS													
ADMINISTRATIVE EXPENSES													
Advertising/Marketing	2,345	2,234	5,341	2,053	2,851	1,253	1,753	6,783	3,004	2,384	3,056		
Credit Reports													
Office Salaries (Marketing & On-Site Ad)	17,853	28,708	18,850	17,935	18,172	14,933	19,659	19,676	20,075	20,157			
Office Supplies	4,689	4,239	3,555	2,470	2,368	3,498	5,443	5,473	3,734	3,586	2,552		
Management Fee													
Temporary Services	27,484	27,502	29,445	26,920	28,385	27,688	28,411	27,755	29,273	28,344			
Manager/Supervisor													
Staff Units	2,950	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850
Legal/Mediation Expenses	6,120	6,328	6,322	6,322	7,245	4,781	18,521	22,403	16,742	22,113	16,127		
Audit/Bookkeeping													
Tele & Answering Service	1,386	1,528	1,072	1,072	1,068	1,115	1,147	1,051	1,083	2,483	2,268		
Collection Loss													
Misc. Admin. Expenses	792	81	1,149	1,149	1,173	845	988	850	850	82	82		
Mileage/Travel													
Seminar/Training	222	228	211	263	245	87	233	222	221	58	58		
Computer Charges	413	3,980	5,027	2,717	2,811	631	1,584	1,389	1,449	80	1,235	1,371	
Remittance Expense	6,393	"	6,542	"	"	"	"	"	"	2,820	1,500	2,753	
Subtotal: Administrative Expenses	82,508	113,757	80,420	80,131	47,919	65,336	120,595	91,056	89,710	93,650	95,980		
UTILITIES													
Subtotal: Utilities	142,277	142,277	174,416	162,847	183,020	182,847	181,899	180,777	183,874	181,985	159,632		
Navy CAM Charge	28,242	28,242	28,242	28,242	25,712	27,304	27,804	27,804	28,637	28,637	28,637		
OPERATING AND MAINTENANCE													
Contract Supplies	812	1,352	"	791	551	"	"	"	"	"	"	620	
Contract Cleaning	1,230	930	1,300	1,410	1,300	490	70	1,030	910	1,160	2,945		
Post-Supply Contract & Bed Bugs	1,980	5,975	1,924	1,260	2,100	1,160	1,260	1,175	1,260	1,260	1,260	1,260	
Operation/Maintenance Rent Free Unit	31,442	26,323	42,783	31,246	29,806	34,085	23,373	31,414	29,930	25,526	25,078		
Rubish Removal	27,351	27,351	29,350	18,921	23,666	43,139	1,841	117	659	40,719	40,818		
Security Supplies	4,932	"	"	"	"	"	"	"	"	3,717	6,665		
Fire Alarm Expenses										2,400			
Tree Maintenance													
Grounds Contract	39,097	41,325	39,097	39,097	39,097	39,097	39,097	39,097	39,097	40,270	40,269		
Maintenance Payroll	18,481	22,425	18,304	18,503	17,810	19,073	18,430	19,015	21,046	32,107			
Repairs Materials Enviro-TDA Turnover	57,240	43,438	58,243	30,304	28,684	62,880	17,852	53,335	107,609	237,658	287,431		
Repairs Contract													
Plumbing Maintenance	11,998	29,589	(22,989)	63,267	24,731	1,983	1,150	28,798	15,622	28,130	28,984		
Electric Maintenance													
Heating and Cooling	7,920	3,767	36,160	4,673	31,032	19,009	6,761	9,779	10,888	10,322	11,558		
Appliance Repairs	2,720	11,360	2,233	890	13,17	6,336	-	6,336	1,910	286			
Painting and Decorating Supply & Contr	3,244	"	1,295	3,882	5,232	38	12,499	-	-	1,811	-		
Vehicle Lease	16,248	952	1,976	2,613	4,08	1,208	1,301	695	786	704	2,857		
Misc. Ops. and Maintenance	5,000	7,014	1,161	6,785	1,843	1,000	2,722	1,000	1,000	172	1,719		
Uniform/Laundry Service	238	447	76	410	222	1,349	42,837	6,825	70,010	12,670	4,178		
Repairs contract Other	28,397	33,277	"	"	"	"	"	"	"		2,289		



Period		Draw 2	Draw 3	Draw 4	Draw 5	Draw 6	Draw 7	Draw 8	Draw 9	Draw 10	Draw 11	Draw 12
% Rent	Units rented for occupancy at Beginning of month	519	519	517	517	515	514	514	512	512	512	512
Leisure Units Disbursed	Leisure Units Occupied during month	521	521	521	521	521	521	521	521	521	521	521
2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
DISBURSEMENT OF REVENUES		Actual										
Revenue Gross Rent Points		115,530	115,530	115,530	115,530	115,530	115,530	115,530	115,530	115,530	115,530	115,530
Total Net Revenue		926,166	935,952	937,094	946,833	944,494	952,600	943,420	935,816	923,226	904,242	924,512
Less Base Rent*		(52,734)	(52,734)	(52,734)	(52,734)	(52,734)	(52,734)	(52,734)	(53,785)	(53,785)	(53,785)	(52,957)
Less Operating Expenses		(593,451)	(716,070)	(632,105)	(617,390)	(593,403)	(584,893)	(591,592)	(605,884)	(734,044)	(734,044)	(734,044)
Less CAM Charge		(28,242)	(28,242)	(28,242)	(28,242)	(25,772)	(27,804)	(27,804)	(28,637)	(28,637)	(28,637)	(28,637)
Less Replacement Reserve Funding		-	-	-	-	-	-	-	-	-	-	-
Management Fee		(27,484)	(27,484)	(29,445)	(26,320)	(28,385)	(27,888)	(27,416)	(28,411)	(27,765)	(29,279)	(27,851)
Less Marketing Fee		-	-	-	-	-	-	-	-	-	-	-
Advance Int security deposits		-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses		(701,911)	(886,553)	(742,528)	(705,285)	(670,234)	(672,925)	(644,545)	(767,087)	(776,041)	(845,745)	(802,884)
Revenues Net of Operating Expenses		229,421	29,313	193,428	231,059	271,599	107,955	185,733	159,774	77,480	1,378	-
Revenues Remaining for Distribution in Percentage Rent		229,421	29,613	193,428	231,059	271,599	107,955	185,733	159,774	77,480	1,378	-
ITDA Share of Revenues (Percentage Rent)		(217,850)	(28,132)	(183,755)	(220,219)	(282,768)	(257,991)	(162,857)	(176,446)	(151,785)	(73,006)	(1,309)
USCo Share of Revenues (Percentage Rent)		(11,471)	(1,481)	(11,871)	(11,860)	(13,530)	(13,570)	(15,398)	(9,287)	(7,988)	(3,874)	(69)
Total Percentage Rent Disbursed		(229,421)	(29,613)	(193,428)	(231,059)	(271,599)	(107,955)	(185,733)	(159,774)	(77,480)	(1,378)	-
Ending Balance Gross Revenues		0	0	0	(1)	(1)	0	0	0	0	0	-

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OCT 15 2015  
RB, RR KA FILE

MEMORANDUM

To: Bob Beck, Treasure Island Director,  
Treasure Island Development Authority  
City of San Francisco  
410 Palm Avenue  
Building 1, 2<sup>nd</sup> Floor  
San Francisco, CA 94130

Date: Jul 10, 2015

RE: Base Rent Adjustment for the Jul 2015 to Jun 2016 period

Per the Sublease, Development, Marketing and Property Management Agreement between the Treasure Island Development Authority and the John Stewart Company, the Base Rent for the Sublease must be adjusted using a "CPI Adjustment" (Section 15.2). The agreement specifies that the adjustment will use the CPI for Urban and Wage Earners and Clerical Workers published most immediately preceding the Adjustment Date and compare this to the Index published most immediately preceding the prior Lease Year.

The CPI for the San Francisco-Oakland-San Jose area is attached (from the United State Department of Labor, Bureau of Labor Statistics).

Based on July 2014 sublease agreement paragraph 15.1. Base rent, stated 632,806 to start with, and adjustment is in accordance with the paragraph 15.2, which shall be July. The Base Rent for 2015-16 is therefore adjusted as follows:

Year over year adjustment from 2014 to 2015 is  $252,875 / 247,932 = 1.019937$  (see attached)

The new Base Rent adjustment for the upcoming period is:

$$(632,806) \times (1.019937) = 645,422.00 \text{ (or } 53,785.17 \text{ monthly)}$$

The adjusted Base Rent payments as prescribed under the sublease will thus be adjusted to \$53,785.17 monthly for the April 2015 to March 2016 period.

Sincerely,

Jeffrey Kohler

Attachments

Cc: John Stewart, JSCo  
Sonya Rosenbach, JSCo  
Dan Stone, JSCo

Loren Sanborn, JSCo  
Lynny Lee, JSCo

Connie Le, JSCo  
Jack Gardner, JSCo

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY

ONE AVENUE OF THE PALMS  
BLDG. ONE, 2<sup>nd</sup> FLOOR, TREASURE ISLAND  
SAN FRANCISCO, CA 94130  
(415) 274-0660 FAX (415) 274-0299  
[WWW.SFTREASUREISLAND.ORG](http://WWW.SFTREASUREISLAND.ORG)



MIRIAN SAEZ  
DIRECTOR OF ISLAND OPERATIONS

To: Treasure Island Development Authority Board of Directors  
From: Bob Beck, Treasure Island Director  
Date: November 13, 2015  
Re: Use Permit and Film Permit Waivers

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The following waivers were granted for the months of October and November 2015:

US Navy, RAB Meeting, October 20, 2015

Academy of Arts University, Student Film Project, November 4 and 5, 2015.

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**Treasure Island Development Authority**  
**Subleases and Permits Executed**  
**Pursuant To Leasing Policy**  
**As of November 13, 2015**

Location / Facility	No.	Status (new / expired)	Company Name / Prospective Subtenant	Start Date	Leasehold Type	Sq. Ft.	Annual Rent
B-1 Suite 306	1,006	New	Golden State Technologies	12/01/15	Office	470	\$11,700.00
Building 229	1,009	New	Life Learning Academy	12/01/15	Boarding School	PA: 20,723 PB: 30,000	\$9,180.00
Building 1, Suite 10B	1,013	New	SF Collateral Agency, Inc.	12/01/15	Office	100	\$2,160.00
Building 157	1,014	New	Mamalayla, LLC	12/1/15	Office/Storage	PA:2,000 PB:2,200 PC:1,500	\$44,000.00
Building 29	1,015	New	Anthony Boutrin, an individual doing business as SF Vending	12/1/15	Office /Storage	1,950	\$3,000.00
Building 1, Suite 16a	1,016	New	Anthony Boutrin, an individual doing business as SF Vending	12/1/15	Office /Storage	225	\$4,200.00
Building 157	1,025	New	TreeHouse Craft Distillery, LLC	11/1/15	Manufacturing Spirits	PA:1,800 PB: 2,000	\$42,000.00
Building 1, Suite 304	1,040	New	Pendergast Consulting Group, a sole proprietorship	12/1/15	Office	505	\$10,800.00
Lot at M, N and 3rd	P-1003	New	Beyond Productions, LTD	9/17/15	Film	N/A	\$1,000.00
Eucalyptus, 180 Lots	E-152	New	NCompass International, Inc.	10/23/15	Event	N/A	\$3,000.00
Chapel	E-153	New	Rachelle Pierson	11/1/15	Church Service	N/A	\$3,000.00
Great Lawn, 180 Lot	E-154	New	Family Motor Coach Association	10/10/15	Event/Parking	N/A	\$500.00
Building 1	E-157	New	GTW Mobile OF CA LP	1/27/16	Event	N/A	\$2,500.00
Building 1	E-151	New	Sprint, Inc.	12/15/15	Event	N/A	\$2,500.00

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October 2015 Treasure Island Crime Statistics  
 Provided by Officer J. O'Keeffe #681  
 on behalf of Captain DeFilippo, Southern Station



Occ. Date	Case #	Location	Incident Type	Comments
1-Oct-15	150859824	Avenue F/3rd St	Vehicular Accident	Report taken of a vehicular accident.
3-Oct-15	150865956	1 Avenue of the Palms	Investigative detention	Officers detained a several occupants of a vehicle. Officers smelled suspect marijuana. All occupants were release from the scene.
3-Oct-15	150866675	1443 Chinook Ct	Theft of Property	Domestic dispute between a divorced couple. After moving out the wife, pawned items from the house. The husband reported this as a theft.
4-Oct-15	150868609	1203 Bayside Dr	Stolen Vehicle	Vehicle stolen between 12am-7am.
7-Oct-15	150879145	351 Ave H	Missing juvenile	Juvenile reported "AWOL" from Job Corp.
7-Oct-15	150879167	1223 Mariner Dr	Vandalism to vehicle	V reported that between 7:45am-10:30am, an unknown suspect punctured the back rear tires of his vehicle.
9-Oct-15	150884188	351 Ave H	Missing juvenile	Juvenile reported "AWOL" from Job Corp.
17-Oct-15	150909021	1 Avenue of the Palms	Public Intoxication	A TI resident was detained for throwing rocks at people attending an event. Officers detained the subject for public intoxication. The subject also has outstanding arrest warrants. The suspect was booked at County jail the warrants and public intoxication.
17-Oct-15	150909849	1430 Halibut Ct	Battery	V reported that after a heated verbal argument with her adult daughter, the daughter struck her several times. The suspect was no longer on scene.
19-Oct-15	150912773	1 Avenue of the Palms	Warrant Arrest	Officers conducted a well being check on a male sleeping under a blanket. The male did not need any medical assistance, but a computer investigation revealed that he had a no bail warrant. S was booked at County Jail for the warrant.
19-Oct-15	150915238	401 13th St	Vandalism	V reported that 31 windows were shattered between 4:30pm-6:30pm by an unknown S.
20-Oct-15	150916838	1403 Sturgeon St	Mental Health Detention	Officers detained a subject for a 72 hour mental health detention.
24-Oct-15	150929126	1126 Reeves Ct	Mental Health Detention	Officers detained a subject for a 72 hour mental health detention.
24-Oct-15	150930719	1 Avenue of the Palms	Found Property	An SFPD officer located \$2.00 on the ground. No one claimed the money so the officer booked it as property for safekeeping.
26-Oct-15	150936660	850 8Th St	Vandalism	R caught two subjects trespassing and camping out in the building. There were several graffiti markings on the walls. Officers arrived on scene and cited the subjects for trespassing.
26-Oct-15	150937721	14356 Chinook Ct	Stolen/Recovered Vehicle	Vehicle reported stolen between 4pm-9pm. Vehicle was recovered on the 28th on Hudson Ave.
26-Oct-15	150944215	1113 Keppler Ct	Theft of Property	V reported that several personal items were taken out of his unlocked storage unit.

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## TI01 - TI Case Summary

Open

CASE ID	OPEN DT	CLOSED DT	CATEGORY	TYPE	LOCATION	OTHER DESCRIPTION	AGENCY
5133581	9/26/2015 7:00:16 AM		MINI Feedback	MUNI - Services_Service_Delivery_Faults	Intersection of GATEVIEW AVE and NORTHPOINT DR		FTT - Muni Customer Service
5164062	10/6/2015 12:12:06 PM		MINI Feedback	MUNI - Conduct_Infrastructure_Flooding	Intersection of GATEVIEW AVE and N MASON CT		FTT - Muni Customer Service
5232248	10/28/2015 11:14:48 AM		Sewer Issues	Flooding	Intersection of AVENUE OF THE PALMS and CLIPPER COVE WAY	Storm drain at TI Road walkway by entrance to Mania Parking lot looks filled with dirt and trash. It's not flooding now but when it rains this drain always clogs and floods	PLC Sewer
5232266	10/28/2015 11:18:56 AM		Sewer Issues	Flooding	10 MACALLA RD, SAN FRANCISCO, CA, 94130	I don't know if this is a storm drain but it's clogged full of sand and won't collect when it rains. It's not flooding currently. In the intersection of TI Road and Macalla Road.	PLC Sewer

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CASE ID	OPEN DT	CLOSED DT	CATEGORY	LOCATION	TYPE	OTHER DESCRIPTION	AGENCY
5083615	9/10/2015 8:10:59 AM	9/11/2015 3:43:50 PM	Noise Report	construction_private_property	1201 BAYSIDE DR & SAN FRANCISCO, CA, 94130	treasure island --- caller insist to complain the construction company starting working at 8am, for a month sometime work on weekend, they banging the walls and dragging large appliances. (like toilet, stove etc.) that is not reasonable.	Inspection Services
5084231	9/10/2015 10:48:13 AM	9/18/2015 2:01:31 PM	Streetlights	Streetlight - Light_Burnt_Out	Intersection of GATEVIEW AVE and REEVES CT	ON THE CORNER OF GATEVIEW AND PUC Power REEVES COURT. --- CUSTOMER STATES THAT THE STREET LIGHT IS OUT AT THE CORNER.	PUC Power
5086713	9/11/2015 6:38:50 AM	9/29/2015 11:13:49 AM	MUNI Feedback	MUNI - Services_Service_Delivery_Facilities_Hazardous Materials	Intersection of GATEVIEW AVE and MASON CT	customer called to report fees on the electrical	FET - Mun Customer Service
5098340	9/15/2015 9:07:13 AM	9/17/2015 3:00:31 AM	Street and Sidewalk Cleaning	TREASURE ISLAND RD	Intersection of HILLCREST RD and TREASURE ISLAND RD	near the freeway off ramp at 8 hillcrest rd & south gate rd ---	DPW BSFS BUF Graffiti
5124900	9/23/2015 1:59:57 PM	9/24/2015 3:00:00 PM	Streetlights	Streetlight - Light_Burnt_Out	Intersection of GATEVIEW AVE and MASON CT	the electrical	PUC Power
5124930	9/23/2015 2:05:17 PM	9/24/2015 3:21:38 PM	Streetlights	Streetlight - Light_Burnt_Out	1318 GATEVIEW AVE, SAN FRANCISCO, CA, 94130	---	PUC Power
5179649	10/11/2015 11:25:06 AM	10/22/2015 3:59:30 PM	MUNI Feedback	MUNI - Services_Service_Delivery_Facilities	Intersection of GATEVIEW AVE and NORTHPOINT DR	customer called to report fees on the electrical	FET - Mun Customer Service

Closed



CITY & COUNTY OF SAN FRANCISCO

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BOB BECK  
TREASURE ISLAND DIRECTOR

To: Treasure Island Development Authority Board of Directors

From: Peter Summerville *[Signature]*

Date: November 2, 2015

Re: Treasure Island Power Outages – October 2015

Cc: Robert Beck, Treasure Island Director

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- On Tuesday October 20<sup>th</sup> at approximately 9:30 AM, Treasure Island experienced a power outage. SF Public Utilities Commission (PUC) dispatched repair crews. Power was restored at approximately 11:00 AM. Cause was identified as suspected vandalism to on-island utility infrastructure.



CITY & COUNTY OF SAN FRANCISCO



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EDWIN M. LEE  
MAYOR

ROBERT BECK  
TREASURE ISLAND DIRECTOR

October 30, 2015

Mr. Ken Alex, Chair  
California Strategic Growth Council  
1400 10<sup>th</sup> Street  
Sacramento, CA 95814

Mr. Randall Winston, Acting Executive Director  
California Strategic Growth Council  
1400 10<sup>th</sup> Street  
Sacramento, CA 95814

Re: Affordable Housing and Sustainable Communities Program Guideline Updates;  
Section 102(c)(1) Transit Oriented Development

Dear Chair Alex and Mr. Winston:

I am writing to express support for the proposed Affordable Housing Sustainable Communities Program Guideline Updates for 2015-2016 released on September 17, 2015, and to provide specific comments on the definition of Transit Oriented Development as embodied in the Draft Guidelines. Thank you for the opportunity to review the changes, and for your efforts to ensure the long term success of the valuable AHSC program.

While the Treasure Island Development Program meets the requirement of Section 102(c)(1) "to include at least one (1) Transit Station/Stop served by High Quality Transit", the Program includes many other features that should independently qualify the project as a Transit Oriented Development.

The Treasure Island Project Area, consisting of Treasure Island and Yerba Buena Island, will be subject to Congestion Management Pricing. The Congestion Management revenues along with parking revenues from parking meters and public parking garages within the Project Area will be used exclusively to fund transit service to the Project Area and transit related programs – shuttle service, bike share, and other "first mile–last mile" programs/improvements – within the Project Area. These funds will be administered by the Treasure Island Mobility Management Agency (the "TIMMA") whose creation and powers were established by the 2008 Treasure Island Transportation Management Act (AB 981).

While the Project Area will be served by high quality bus service into San Francisco and Oakland operated by SFMTA and AC Transit respectfully, the Treasure Island Program will also be constructing new ferry facilities to support ferry service from the Project Area into downtown San Francisco. The Congestion Management revenues and other funds administered by the TIMMA will subsidize the cost of ferry and AC Transit services.

The development program within the Project Area is primarily residential – calling for the construction of up to 8,000 homes, 25% of which will be affordable. All market rate residential units within the Project Area will be required to purchase a monthly transit pass through their homeowner's dues or rents, guests at hotels within the Project Area will be required to purchase transit vouchers, and the TIMMA will subsidize transit vouchers for affordable housing residents within the Project Area.

The definition of Transit Oriented Development as embodied within the Draft Guidelines appears to be limited to two traditional TOD paradigms – developments along Bus Rapid Transit corridors and developments in close proximity to rail transit stations. We respectfully suggest that the guidelines expand their definition of Transit Oriented Development Project Areas to recognize Project Areas that include some or all of the following features:

1. Congestion Management Pricing (tolling) for automobiles entering or leaving the Project Area;
2. On-going transit funding generated within the Project Area and dedicated to transit and transit-related services to and within the Project Area;
3. Proximity to ferry facilities; and/or
4. Mandatory purchase of monthly transit passes.

In considering these suggestions, if you would like more information on the Treasure Island Development Program and its innovative transit related requirements, please, call me at (415) 274-0662 or e-mail me at [Bob.Beck@SFGOV.org](mailto:Bob.Beck@SFGOV.org).

Regards,



Robert Beck  
Treasure Island Director



1 Avenue of the Palms, Room 166, San Francisco CA 94130 415.274.0311 www.tihdi.org

October 30, 2015

Mr. Ken Alex, Chair  
California Strategic Growth Council  
1400 10<sup>th</sup> Street  
Sacramento, CA 95814

Mr. Randall Winston, Acting Executive Director  
California Strategic Growth Council  
1400 10<sup>th</sup> Street  
Sacramento, CA 95814

Re: Affordable Housing and Sustainable Communities Program Guideline Updates

Dear Chair Alex and Mr. Winston:

I am writing to express support for the proposed Affordable Housing Sustainable Communities Program Guideline Updates for 2015-2016 released on September 17, 2015, and to strongly support specific comments on the definition of Transit Oriented Development that have been provided by Treasure Island Development Authority Director, Robert Beck and supported by MOHCD Director Olson Lee.

The Treasure Island Homeless Development Initiative (TIHDI) is a collaboration of community based organizations that has been working on the civilian reuse of Treasure Island for over two decades. We currently provide housing to approximately 700 formerly homeless families and individuals and will be developing new housing as part of the long term development plan for Treasure Island. Having access to public transportation for our residents has been and will be critical to making this housing accessible to our very low income residents. We also have been providing and will continue to provide, input into the extensive transportation plan that has been developed to make this project, located in the middle of San Francsico Bay, a reality for people at all income levels.

We would like to echo our strong support for Mr. Beck's following comments: "*While the Treasure Island Development Program meets the requirement of Section 102(c)(1) "to include at least one (1) Transit Station/Stop served by High Quality Transit", the Program includes many other features that should independently qualify the project as a Transit Oriented Development.*

*The Treasure Island Project Area, consisting of Treasure Island and Yerba Buena Island, will be subject to Congestion Management Pricing. The Congestion Management revenues along with parking revenues from parking meters and public parking garages within the Project Area will be used exclusively to fund transit service to the Project Area and transit related programs – shuttle service, bike share, and other “first mile–last mile” programs/improvements – within the Project Area. These funds will be administered by the Treasure Island Mobility Management Agency (the “TIMMA”) whose creation and powers were established by the 2008 Treasure Island Transportation Management Act (AB 981).*

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*The definition of Transit Oriented Development as embodied within the Draft Guidelines appears to be limited to two traditional TOD paradigms – developments along Bus Rapid Transit corridors and developments in close proximity to rail transit stations. We respectfully suggest that the guidelines expand their definition of Transit Oriented Development Project Areas to recognize Project Areas that include some or all of the following features:*

1. *Congestion Management Pricing (tolling) for automobiles entering or leaving the Project Area;*
2. *On-going transit funding generated within the Project Area and dedicated to transit and transit-related services to and within the Project Area;*
3. *Proximity to ferry facilities; and/or*
4. *Mandatory purchase of monthly transit passes. “*

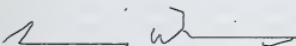
Further, we would also like to echo the Mayor’s Office of Housing support for the creation of a proposed new category recognizing “Catalytic Projects,” which has the

potential to accelerate transformative affordable housing projects for our most vulnerable residents. We believe this type of category could positively influence large-scale projects such as military base reuse.

Finally, based on the analysis herein we support the consideration of congestion pricing to be included as a factor in the Greenhouse Gas (GHG) modeling considerations. We understand that this technical model is not subject to the comments deadline of October 30 and will be following up separately on this highly complex model for assessing GHG emissions.

We thank you for the opportunity to review the changes, and for your efforts to ensure the long term success of the valuable AHSC program. We feel strongly that this project should be defined as a Transit Oriented Development and hope you will support this as well.

Sincerely,



Sherry Williams  
Executive Director



CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY  
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ROBERT P. BECK  
TREASURE ISLAND DIRECTOR

October 30, 2015

Linda Cheu  
California Dragon Boat Association  
268 Bush Street, #888  
San Francisco, CA 94104

Dear Linda:

I want to thank the California Dragon Boat Association for choosing Treasure Island as the home for the San Francisco Dragon Boat Festival for eleven years. The Treasure Island Development Authority has been honored to host the Festival and watch it grow during its tenure on the Island. Thanks to the Festival, tens of thousands of spectators have visited Treasure/Yerba Buena Islands during the Festival, giving the Islands valuable exposure and helping to promote the Islands as a "Recreation Destination".

As discussed, the first phase of the development of the Islands is now imminent, and the Festival's traditional race layout will be affected. It is our understanding, based on your September 21, 2015 email to Jack Nathanson that other proposed locations for the Festival in the waters around Treasure Island would not be acceptable to the Association, and therefore the Festival would not be returning to Treasure Island in future years.

If we have misinterpreted the Association's decision, or if you have any additional questions, please contact Jack Nathanson at 415-274-0688. It has been a privilege to host the Festival during its tenure in Clipper Cove, and we wish the Association continued success in your future venue.

Sincerely,

A handwritten signature in blue ink, appearing to read "R.P. Beck".

Robert P. Beck  
Treasure Island Director

cc: Richard Rovetti  
Jack Nathanson  
File





DEPARTMENT OF THE NAVY  
BASE REALIGNMENT AND CLOSURE  
PROGRAM MANAGEMENT OFFICE WEST  
33000 NIXIE WAY, BLDG 50  
SAN DIEGO, CA 92147

11011  
Ser BPMOW.eal/0393  
November 4, 2015

Mr. Robert Beck  
Treasure Island Development Authority  
One Avenue of the Palms, Suite 241  
Treasure Island  
San Francisco, CA 94130

Dear Mr. Beck:

Reference is made to Navy Lease N6247499RP00B05 (known as the "Housing Master Lease"), executed on March 17, 1999, which currently authorizes Treasure Island Development Authority (TIDA) use of property at the former Naval Station Treasure Island for residential housing.

Furthermore, by letter dated November 25, 2013, the Navy notified TIDA that pursuant to the lease, the Navy was giving notice that current environmental remediation of Site 12 would dictate the need for various leased buildings to be accessed and potentially razed to effectively complete necessary cleanup activities which support property transfer and redevelopment.

At this time, we are officially notifying TIDA that the tenants in buildings 1311 and 1313 will need to be vacated by February 10, 2016 and we hereby terminate the Housing Master Lease as to these buildings. These buildings are scheduled to be demolished as part of a planned environmental excavation to take place in 2016.

Also, please be advised that although building 1108 is not included in this notice, it will need to be vacated to allow the Navy to conduct future environmental field work. This work is currently scheduled to occur late summer 2016.

Thank you for your understanding and cooperation. If you have any questions regarding the upcoming environmental remediation, please contact Mr. Keith Forman at (619) 524-6073.

Sincerely,

*Elizabeth A Larson*  
ELIZABETH A. LARSON  
Real Estate Contracting Officer





## FINAL

# Former Naval Station Treasure Island Restoration Advisory Board (RAB) Meeting Minutes

Meeting 177

16 June 2015

### Community Restoration Advisory Board (RAB) Members in attendance:

Nathan Brennan, John Gee, Becky Hogue, Alice Pilram (Community RAB Co-Chair), Dale Smith

### Department of the Navy and Regulatory Agency RAB Members in attendance:

Keith Forman, Navy RAB Co-Chair

Medi Sunga, Department of Toxic Substances Control (DTSC)

Myriam Zech, San Francisco Bay Regional Water Quality Control Board  
(Water Board)

### Other Navy and Regulatory Staff and Consultant Representatives in attendance:

George Chiu, Tetra Tech, Inc.

Jessica O'Sullivan, Tetra Tech, Inc.

Dave Clark, Navy

Lee Saunders, Navy

Yashekia Evans, Tetra Tech, Inc.

Raymond Schul, Chicago Bridge &

Katie Henry, Tetra Tech, Inc.

Iron (CB&I)

Carolyn Hunter, Tetra Tech, Inc.

Chris Yantos, Navy

### Public Guests in attendance:

Bob Beck, Treasure Island

Carol Harvey, journalist

Development Authority (TIDA)

Andrea McHenry, resident

Mike Fritchley, resident

### Welcome Remarks and Agenda Review

Keith Forman (Base Realignment and Closure [BRAC] Environmental Coordinator [BEC]) opened the June RAB meeting for the Former Naval Station Treasure Island (NAVSTA TI) held at the Casa de la Vista (Building 271) on Treasure Island (TI). Mr. Forman introduced the other Navy members and the regulatory agency representatives present. Mr. Forman noted that the meeting is transcribed and asked attendees to speak slowly and clearly for the transcriptionist.

Alice Pilram (RAB community co-chair) reviewed the agenda (Attachment A). She noted there is time for community questions after the presentation and a community question and answer period at the end of the agenda.

### Old Business - RAB Minutes Approval

Outstanding minutes to be approved by the RAB include Meeting 175 February 2015 and Meeting 176 April 2015.

Final Treasure Island Restoration Advisory Board  
Meeting Minutes, 16 June 2015  
Page 2 of 8

Dale Smith (RAB member) provided comments on the draft Meeting 175 February 2015 minutes, asking for clarifying language on two topics on page 3. It was agreed the Navy will propose clarifying language and send the red-line version to the RAB. The RAB will vote on the Meeting 175 February 2015 minutes at the August RAB meeting.

The draft minutes for Meeting 176 - April 2015 distributed to the RAB were incomplete. It was agreed the contractor will send a complete hard copy of the minutes to the RAB members immediately. That copy will be reviewed and voted on at the August RAB meeting.

**Old Business – BRAC Cleanup Team Update**

Medi Sunga (DTSC) said that since the last RAB meeting DTSC has reviewed and commented on several documents, and has coordinated California Department of Public Health (CDPH) reviews. She said DTSC is also reviewing the soil and groundwater management plan prepared by Treasure Island Community Development (TICD) in support of reuse.

Myriam Zech (Water Board) said her agency is outlining its concerns about the path forward for Site YF3, and together Navy and the Water Board are making progress on the YF3 Screening-Level Ecological Risk Assessment (SLERA). The Water Board has also been reviewing the basewide Groundwater Monitoring Report, which includes Sites 6, 12, 21, and 24, and the Site 24 Record of Decision.

Ms. Smith asked for clarification about the planned remedial action at Site 24. She was told the Navy is considering micro and nano zero-valent iron. She has voiced concerns in the past about nano zero-valent iron and does not think it should be used at NAVSTA TI. Ms. Sunga said Site 24 is at the ROD phase, so a plan for the technology to be used has not been prepared. That plan will be presented in the Remedial Design (RD) phase. Mr. Forman said the only discussions the NAVSTA TI staff have had were about micro zero-valent iron, and he does not anticipate a change to that. Ms. Smith asked if the NAVSTA TI team had received remaining nano zero-valent iron from the Alameda team. Mr. Forman said the team has not received any nano zero-valent iron from anyone.

**New Business – Field Work Update: Sites 6 and 12**

Mr. Forman and Dave Clark (Navy) began the presentation with the update on Site 6 (Attachment B). Mr. Clark indicated the location of Site 6 on a map, in the northeastern corner of TI. It was historically used by the Navy as a firefighter training school. Site 6 was designated as impacted in the Historical Radiological Assessment Supplemental Technical Memorandum (HRASTM). This terminology means it has the potential for radiological contamination and must be investigated. The recent work being discussed is the radiological investigation.

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Mr. Clark said the purpose of the radiological investigation at Site 6 is to gain radiological free-release from CDPH. Once this free-release is achieved, the remedial action based on the ROD will begin.

Mr. Clark said the primary reason Site 6 was impacted in the HRASTM was because bins containing low-level radiological waste bins were staged at the site during environmental restoration field operations. In addition, a portion of the site was used as a recycling/salvage area during World War II that could have processed material with incidental items containing radium. To date, 1,550 cubic yards of soil has been excavated. Of that soil, one low-level radioactive item was recovered. The item is a deck marker, approximately the size of a quarter. In addition, the instrumentation detected a rock approximately the size of a golf ball containing naturally occurring thorium. The machines used in these investigations are very sensitive and can pick up such naturally occurring material.

Mr. Clark showed photographs of workers conducting radiological surveys and the equipment they used. Workers apply a commercial soil stabilizer to reduce dust. Mr. Clark also showed a photograph of field technicians cleaning sample equipment; a large part of the daily field activity is to clean all equipment, which includes radiologically scanning all trucks so that any radioactive material is not spread. Mr. Forman said a project to gather additional data in support of the RD will begin when this radiological field scanning is complete.

Mr. Yantos began the update for work in the Site 12 Solid Waste Disposal Areas (SWDA) Westside/Bayside/North Point (also Attachment B). He pointed out the new poster board at the front of the room for the project that shows the locations of all of the excavation areas, truck routes, and soil screening pads. Mr. Yantos said the project began with installation of fencing around the SWDAs and all along Perimeter Road, which is being used for truck traffic. He said the field team built an extension from Perimeter Road (photograph on slide 15) to allow trucks to access Site 32, where the soil screening pads are located.

Mr. Yantos reviewed the rules the trucks must follow (slide 16). This information was also included in a fact sheet that was distributed to all residents the first week of June 2015. It includes what to look for and how to report any concerns, especially related to truck safety. The trucks will primarily use Perimeter Road. However, they will have to drive on residential streets in order to access a few areas including Bigelow Court and Building 570 storage area. He reminded attendees that the closure of Perimeter Road will last approximately one year.

Bayside Drive must be closed because the excavation footprint extends into the street. This closure will affect parking for residents of Building 1224, so the field

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team is creating a replacement parking lot adjacent to the old parking area. A notice will be sent to all residents on that street.

Mr. Yantos discussed other preparatory activities. The field team is conducting land surveys of all excavation areas and truck routes. This land survey will record the elevation of these areas so if the trucks create ruts they can be repaired at the end of the project. In addition, a radiological scan is being conducted for the roads and screening pads to establish current conditions. Screening pads have been built at Site 32 and at Bigelow Court. The screening pads consist of placing plastic on the ground, including over hay bales that create the perimeter of the pad, and putting a buffer layer of soil on the plastic so the excavators will not come in contact with the plastic itself and possibly damage it.

Excavation began at North Point at the end of May 2015. The field team was excavating backfill that had been placed at that SWDA in 2007, as discussed at the April RAB meeting. The excavated clean backfill is being transported to Building 570, where it is stockpiled.

Mr. Yantos reviewed the air quality protections being used. Air quality is monitored at various areas throughout the site, including dig sites, and at screening pads. In addition, dust monitors (shown on slide 24) collect data that is reviewed daily, and those results will be posted on the Navy's website ([www.bracpmo.navy.mil](http://www.bracpmo.navy.mil)). Other instrumentation includes air pumps that draw air across a filter, and that filter is then tested in the laboratory for lead, polychlorinated biphenyls (PCB), polycyclic aromatic hydrocarbons (PAH), and radium-226.

Mr. Yantos reviewed the schedule. While the overall project will last one year, not all of the field activities will last the entire time. The schedule on slide 25 shows the general schedules for the work at North Point, Bayside, Westside, and the screening pads. Mr. Yantos said he will provide an update on the project at the next RAB meeting in August.

Mr. Yantos also reviewed the schedule milestones. All of the excavated soil will be disposed of off-site by November. All of the radiological reports will be finalized in June.

John Gee (RAB member) asked if the temporary road created at the end of Perimeter Road extending to Site 32 will be left in place or removed when the project is complete. Mr. Yantos said it is a temporary gravel road, and the gravel will be removed. The temporary road intersects Site 6, so it must be removed so that the cleanup project there can be completed.

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Nathan Brennan (RAB member) recalled a previous issue with dioxins in the roadway near Site 6. He asked if the upcoming Site 6 project will address those dioxins, located on Avenue M. Mr. Clark said the roadway will be considered part of Site 6, and dioxins will be addressed as part of the upcoming remedial action. The remedial action will take place after the current radiological scans are complete.

Ms. Smith asked whether the Site 6 radiological scan will have to be redone if the road is torn up to address dioxins beneath. Mr. Clark said the radiological survey already includes the roads. Ms. Smith asked why the Navy is not testing for cesium at Site 6, and said she has seen a document stating cesium was used in naval operations to mark doorways. Mr. Clark said there has been no evidence of cesium related to recycling activities at NAVSTA TI. Radium-226 was identified as the only radioisotope of concern for Site 6 in the HRASTM.

Ms. Smith asked where the dust monitor shown in the photograph on slide 24 is located. Mr. Yantos said it is on North Point Drive, where the work was being conducted the day the photograph was taken. Ms. Smith asked how many monitors are used per linear feet. Mr. Yantos said there is not a prescribed distance for air or dust monitor placement. For each work area there is an air monitor upwind and downwind. Since there are six work areas, each area will have an upwind and downwind monitor in place when work is being conducted. Ms. Smith said she feels that is not an adequate number of monitors.

Carol Harvey (journalist) said an acquaintance lives on North Point Drive and the construction noise is bothering her and affecting her health. Ms. Harvey wanted the Navy to know so they have the feedback that the project is affecting some residents. Mr. Forman said he understands that this work is an inconvenience, and the Navy truly appreciates what the residents have to do to accommodate the Navy's work. It is a long-term project, but it is vital and will proceed safely and with due care. Mr. Forman said the beeping noise of trucks backing up is often a nuisance to those nearby, however, it is a mandatory safety measure.

Andrea McHenry (resident) asked what was meant by "processing" the gravel that was used to connect Perimeter Road to Site 32. Mr. Yantos said the gravel is made of road base material that was previously part of Site 6, and was radiologically cleared at Site 6 before it was used for the new road. Ms. McHenry asked if that road base was tested for chemical constituents in addition to the radiological scanning. Mr. Yantos said a layer of plastic was put down prior to placing the road base. The road base will be removed at the end of the project, and will be tested for chemicals of concern during the Site 6 remedial action.

Ms. McHenry said she agrees with Ms. Smith that there are not enough air monitors for the Site 12 work and asked to have a monitor at her house. Mr. Clark said collecting data right next to the work is the most effective way to monitor the air and dust. Mr. Yantos said the monitors are continuously evaluated and may be moved based on wind direction to make sure they are downwind of the work. Ms. McHenry noted it was very windy today and asked if work was suspended as a result. Mr. Yantos said the winds were not sustained at 25 miles per hour for five minutes, so work would not stop. There is a health and safety specialist on site during all work, and that person monitors the wind and would make the determination to suspend work if needed.

#### New Business - Document Tracking Sheet and Field Schedule

Mr. Clark presented the Document Tracking Sheet (Attachment C) and the Field Schedule (Attachment D). The Document Tracking Sheet has been reorganized; the radiological documents are now at the top, and the rest of the documents are still organized by site. Mr. Clark said many of the documents are related to field work, such as the Pre-Remedial Design Data Gaps Sampling and Analysis Plan (Item 14 on Attachment C), which is the document for the field work (item 2 on Attachment D). Mr. Clark said Site 24 will have a similar data gaps investigation. The draft ROD for Site 24 was issued and the comment period recently closed. Ms. Smith said she submitted comments on the Site 24 ROD, but the Document Tracking Sheet does not have a check mark that RAB comments were received. Mr. Clark confirmed that her comments were received and will update the Document Tracking Sheet to reflect that.

#### New Business - Co-Chair Announcements and Future Agenda Items

Ms. Pilram said there will be a tour for RAB members the hour before the August RAB meeting. Any RAB members who wish to attend should be at the Casa de la Vista no later than 6:00 p.m. on August 18. Ms. Pilram noted this tour is not for community members. Ms. Smith asked if specific sites to visit on the tour had been discussed. Mr. Forman said the sites have not been discussed yet, and it will depend on the status of fieldwork in various areas. Mr. Forman agreed to provide the RAB with a route map.

Mr. Forman said the Navy offices in San Diego are moving to a new address in July. The new address is on a military base, and the address is on the agenda (Attachment A). The new Navy address is:

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Director  
Navy BRAC PMO West  
33000 Nixie Way  
Building 50, Attention: Keith Forman  
San Diego, CA 92147

Mr. Forman congratulated the City of San Francisco and TIDA on completing the conveyance of property from the Navy to the City. Mr. Beck said the official date of the completed conveyance was May 29, 2015. Approximately 290 acres of upland property were transferred, including the northern half of Yerba Buena Island. Ms. Pilram added that Yerba Buena Island residents were given their 90-day notice to move, with the option of moving onto TI. The final date for Yerba Buena Island residents to move is September 15, 2015.

Ms. McHenry asked Ms. Smith about her credentials. Ms. Smith said she is a biologist. Ms. McHenry noted Ms. Smith's comments about the inadequacy of the number of air monitors and asked if the Navy would listen to Ms. Smith's advice to add more monitors. Mr. Forman said the Navy does listen to RAB and community concerns and input. He added that the air monitoring plan is approved by the regulatory agencies, and the Navy is in compliance with the requirements of the Bay Area Air Quality Management District. The protocols are not established by the Navy; rather, they are determined by the regulatory agencies, and contractors have licenses that regulate how they conduct certain work. Ms. McHenry said she has seen news reports where various contractors violate their own protocols. Mr. Forman said he can only speak to the contractors hired at NAVSTA TI, and the teams working on the projects presented at this meeting are doing a great job; he believes the regulatory agencies would agree with that statement.

Ms. McHenry said the water on TI is brown and sewage is coming up near her house. Mr. Forman said he is unaware of the sewage issue, and that it should be reported to TIDA/the housing providers. Ms. McHenry said she feels people should not be living on TI. She asked if any other residents are present. Michael Fritchley raised his hand. He said this is his first year living on TI; he lives right next to one of the current excavations and he has not had any problems. Mr. Forman said he would encourage Ms. McHenry to talk to her housing provider, as he has suggested to her several times. He added that Mr. Beck is also present at these meetings and that his presence provides an additional opportunity for Ms. McHenry to speak to him before or after the meeting.

Ms. Harvey again asked the Navy to consider the effect of the construction noise on residents and to try to address it. Ms. Harvey asked if Austin Hall, which she believes is within Site 6, was a radiological training facility. Mr. Clark said

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Austin Hall is also known as Building 461, and it is adjacent to, but not part of, Site 6. The building was listed as impacted in the HRASTM. Mr. Clark said the history of that building is complex, and a detailed description can be found in the HRASTM.

**Closing Remarks**

Mr. Forman thanked everyone for attending. The next RAB meeting will be Tuesday, August 18, 2015. The meeting was adjourned at 8:32 p.m.

**Action Items [none identified for June]**

#	Action Item	Due Date	Status
	None	NA	NA

**16 June 2015 RAB Meeting Handouts**

- Attachment A: NAVSTA TI RAB Meeting No. 177 Agenda
- Attachment B: Field Work Update: Sites 6 and 12
- Attachment C: Document Tracking Sheet
- Attachment D: Field Schedule



## FINAL

# Former Naval Station Treasure Island Restoration Advisory Board (RAB) Meeting Minutes

Meeting 176

21 April 2015

### Community Restoration Advisory Board (RAB) Members in attendance:

Nathan Brennan, John Gee, Becky Hogue, Alice Pilram (Community RAB Co-Chair), Dale Smith

### Department of the Navy and Regulatory Agency RAB Members in attendance:

Keith Forman, Navy RAB Co-Chair

Nathan Schumacher, Department of Toxic Substances Control (DTSC)

Myriam Zech, San Francisco Bay Regional Water Quality Control Board  
(Water Board)

### Other Navy and Regulatory Staff and Consultant Representatives in attendance:

Louie Cardinale, Navy

Dave Clark, Navy

Yashekia Evans, Tetra Tech, Inc.

Katie Henry, Tetra Tech, Inc.

Patricia McFadden, Navy

Jessica O'Sullivan, Tetra Tech, Inc.

Lee Saunders, Navy

Raymond Schul, Chicago Bridge & Iron (CB&I)

Tommie Jean Valmassy, Tetra Tech, Inc.

Dan Waligora, California Department of Fish and Wildlife (CDFW)

Chris Yantos, Navy

### Public Guests in attendance:

Bob Beck, Treasure Island

Development Authority (TIDA)

Erick Brown, Catholic Charities

CYO

Adrienne Fong, Occupy

Bob Gouring, Occupy

Carol Harvey, journalist

Kevin Kempf

Erik Lundgren, resident

Kathryn Lundgren, resident

Andrea McHenry, resident

### Welcome Remarks and Agenda Review

Keith Forman (Base Realignment and Closure [BRAC] Environmental Coordinator [BEC]) opened the April RAB meeting for the Former Naval Station Treasure Island (NAVSTA TI) held at the Casa de la Vista (Building 271) on Treasure Island (TI). Mr. Forman introduced the other Navy members and the regulatory agency representatives present. Mr. Forman noted that the meeting is transcribed and asked attendees to speak slowly and clearly for the transcriptionist.

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Alice Pilram (RAB community co-chair) reviewed the agenda (Attachment A). Each of the RAB members introduced themselves. Mr. Forman asked that questions be held until the end of the presentation.

**Old Business – RAB Minutes Approval**

Only an electronic copy of the February 2015 minutes was sent to the RAB; the hard copy was inadvertently omitted from the packet. The RAB postponed approval to the June meeting. Tommie Jean Valmassy (Tetra Tech) will send a hard copy of the draft minutes for meeting number 175 along with the draft minutes for meeting number 176. The RAB will provide comments and vote approval on both sets in June.

**Old Business – BRAC Cleanup Team Update**

Myriam Zech (Water Board) said the Water Board reviewed several reports since the last RAB meeting, including the screening-level ecological risk assessment (SLERA) for Site YF3 and the basewide soil and soil gas monitoring work plan. In addition, the Water Board reviewed the pre-remedial design sampling work plan for Site 6. Ms. Zech added that she had taken a groundwater pollution and hydrology course. Nathan Schumacher (DTSC) said DTSC has reviewed the same documents. He added that Remedios Sunga, the DTSC project manager for TI, will be returning before the next RAB meeting in June.

Dale Smith (RAB member) said she did not receive the SLERA document. Louie Cardinale (Navy) said Ms. Smith should have received the document, and he will work with his contractor to make sure a copy is sent to her. Dan Waligora (CDFW) said his agency also did not receive a copy of the SLERA. Mr. Forman said Mr. Waligora must coordinate through DTSC; Mr. Schumacher said he will talk to Mr. Waligora after the meeting to coordinate his request.

**New Business – Next Removal Actions at Site 12**

Mr. Forman introduced the project manager, Chris Yantos (Navy), to present the update (Attachment B), along with Patricia McFadden (Navy) from the Caretaker Site Office to present the munitions portion of the update.

The Navy is planning a project to close out the solid waste disposal areas (SWDA) in the TI Housing Area. This area includes SWDAs North Point, Bayside, and Westside, located on the map on slide 3. Mr. Yantos indicated that although fieldwork began in 2007, it is still part of the same project and the Navy intends to finish it with this phase.

The goal of the project is to remove all solid waste from the SWDAs and collect samples to make sure all of the solid waste has been completely removed. All of the soil will also be radiologically screened. The goal for this work is to receive unrestricted radiological release from the California Department of Public Health

(CDPH). Currently, the work plan for the upcoming SWDAs removal is being reviewed by the regulatory agencies.

All of the soil and debris excavated from the SWDAs will be radiologically scanned. That scanning will be done on pads in radiological screening yards (RSY). In addition, the bottoms and the sidewalls of the excavated areas will be radiologically scanned.

Mr. Yantos reviewed the process for excavating the clean backfill from the SWDAs. He explained that the buffer material, which is the backfill that is being removed, will be removed down to 1 foot of the original backfill depth. As a result, one foot on the bottom and sides of the previous backfill material will remain. This plan will ensure that any clean backfill that may have come into contact with contaminated soil will not remain and will be properly scanned and disposed of. The rest of the clean backfill will be reused after it is radiologically scanned.

Mr. Yantos showed photographs of radiological screening pads. They are lined with plastic, and hay bales are placed along the edges to prevent any water runoff. Mr. Yantos reviewed the truck routes for moving soil out of the SWDAs and onto the screening pads. The contaminated soil will be transported along Perimeter Road, which will be closed during this project. Mr. Yantos noted that there will be a partial but long-term road closure at SWDA Bayside in front of Building 1222 because some of that SWDA extends under the road. The contaminated soil will not be hauled through the neighborhood; he reiterated that trucks hauling contaminated soil will use Perimeter Road. Mr. Yantos said the yard around Building 570, off of Avenue M, houses a large stockpile of dirt. The contractor will be adding clean soil to that pile, and eventually that pile will be used for backfill.

Mr. Yantos reviewed what residents will see during the field work. Fences will be erected and posted with signage prohibiting entrance. There will be traffic cones and staff in place to direct traffic at times. Air monitors will be posted at each dig site and each screening yard. In addition, security patrol will be on site 24 hours a day, 7 days a week to make sure equipment is not damaged and perimeters remain intact. The team estimates 3,000 truck trips will be made to haul the contaminated soil and clean backfill.

Patricia McFadden (Navy) reviewed the munitions findings at Site 12 (slides 19 to 21). Ms. McFadden noted there were no active munitions operations at NAVSTA TI. Any munitions used at NAVSTA TI were for training or as classroom props. The Navy also stored munitions within Site 12 before the TI housing was built.

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In 2009 Navy contractors conducted an excavation at SWDA Westside. There was debris in the soil, including discarded items such as engine blocks and old cafeteria trays. The photograph on slide 11 shows recovered munitions scrap that was also found in that debris area. Because they appeared innocuous, the contractor stored them in a secured area. Ms. McFadden noted that procedure is not the current protocol. In February 2012, the contractor notified the Navy of those inert munitions items, and the Navy managed proper inspection and disposal of the items. A report was made to the RAB at the time. The photograph on slide 11 shows various items found during the excavations. None of the items found, to date, have contained explosives. However, as an extra precaution, the soil in two areas (denoted on the figure on slide 12) will be scanned with metal detectors. A third-party contractor will oversee the work, and if something is found, munitions experts will be brought in to address it. There will also be safety zones around the work areas.

Mr. Yantos continued the presentation, discussing the Navy's plan for dust control during the project. Privacy fabric will be installed on the fences, excavations will be sprayed with water, excavated soil will be dumped from the bucket into the dump truck at a low height, and the team will cease operations during high wind conditions. A tackifier with the commercial name "Gorilla Snot" will be used to prevent dust at soil stockpiles. Specific to trucks, roadways will be watered, streets will be swept, rumble plates that shake the dirt off of tires will be installed at all work sites, and all trucks will be covered and will travel at a reduced speed. Dust monitoring will also be conducted, with personal dust monitors worn by staff as well as posted on fences. In addition, air monitoring stations will be used at all excavation and screening areas. Radiological air monitoring, which requires separate, specialized equipment, will also be used at the excavation and screening areas.

Mr. Yantos reviewed the schedule presented as a chart on slide 25. This chart shows what kind of work will take place in which SWDA during the next 12 months. Excavation and hauling will not take place during the entire project. The Navy anticipates completing site work in May 2016 and completing the reporting related to the project in June 2016.

Becky Hogue (RAB member) asked when Perimeter Road will be closed, and how it will be monitored for people who ignore the closure and access the road. Mr. Yantos said fences will begin going up in May. The road must be fully closed the moment the field crew begins excavating so trucks can haul soil. The project will have security 24 hours a day, 7 days a week.

Ms. Hogue asked how the contractors will ensure the fabric stays on the fencing; it is common to see the fabric blown off by high winds on TI. Mr. Yantos said

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security will report any occurrences during non-work hours, and on-call staff will make repairs.

Ms. Smith asked, in reference to all of the buildings demolished for this project, whether the building slabs have also been removed. Mr. Yantos said the slabs have not been removed. When the field team mobilizes for this project, they will remove the slabs. Ms. Smith said the concrete slabs likely contain asbestos, and if they are ground up that could cause a health hazard. Mr. Yantos said the slabs will be watered to prevent dust during demolition. There will be some saw cutting, but there will not be any grinding of the concrete. No granular-sized material will be made; the slabs will be broken into blocks for removal. The Navy would be unable to grind the concrete on site; such work would have to be done at a plant, and that is not planned for this project.

Ms. Smith asked if the clean fill that is being removed will be tested in case there has been some contamination, such as a resident spilling gasoline, since the backfill was put in place. Mr. Yantos said the clean fill will not be tested. Ms. McFadden said, as the on-site caretaker, she monitors for and receives reports of discarded materials. These areas have been fenced for many years, and there have been no signs of spills or disposal.

Ms. Smith asked if the Navy sampled beneath the slab at Building 1222, since the building remains in place but the contamination extends right up to the building. Mr. Clark said any standing buildings where it was suspected contamination could be present were tested using horizontal directional drilling. That project was previously presented by Bryce Bartelma (Navy) as part of the Site 12 feasibility study. The line for the cleanup area extends to Building 1222 as part of the work buffer zone.

Ms. Smith asked if Perimeter Road will be tested before it is reopened to the public. Mr. Yantos said it will be tested and is part of the license requirement for the radiological license held by the contractor.

Ms. Smith asked for clarification because the draft work plan states that soil stockpiles will be covered, but the presentation indicates they will be sprayed. Ray Schul (CB&I) said it was common practice to cover soil stockpiles. However, they have found that the "Gorilla Snot" is more effective and easier to maintain. Mr. Schul said that information will be corrected in the workplan.

Ms. Pilram asked if residents will be provided with a phone number to call if they see anything they would like to report, such as uncovered trucks. Mr. Yantos said a contact will be provided and posted on signage. The contact number has not yet been determined. Mr. Forman added that work notices will be prepared and distributed as hard copy, and TIDA will post a copy on the

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Nextdoor community website. Ms. Pilram suggested the Navy provide residents with a list of rules trucks must follow and information to include when they are reporting an incident. For example, the information should specify whether there is a number or name on a truck that should be included with a complaint. Mr. Yantos said the Navy will implement that idea, publishing the rules trucks must follow and what information residents can provide to help the Navy follow up on the incident. Ms. Hogue requested that a reporting number be one that is monitored 24 hours a day, since often residents need to report something outside of normal work hours.

Kathryn Lundgren (resident) asked if the clean fill that was previously used to backfill the SWDAs was directly touching contaminated soil. She said she is concerned that groundwater movement through the soil as well as soil shifting during earthquakes could contaminate the clean backfill. Mr. Yantos referred back to slide 9, which details the process for removing the clean backfill, with the exception of a buffer area across the entire dig site, including the side walls, to a depth of 1 foot.

Ms. Lundgren said air monitors should be in homes, not just at the sites. She feels homes are receiving the air that comes from Westside Drive, so it never reaches the air monitors on the east side of the island. Ms. Lundgren said she is also concerned about the Navy creating the screening yards and contaminating areas that have previously been cleared of contamination. Mr. Yantos said air monitors will be at several locations, not just on the east side of the island. He also reviewed the process for the screening pads, including laying plastic and surrounding them with hay bales. Then the screening pads will be scanned after use to verify that no contamination is at the site. Ms. Lundgren asked why the Navy will scan the area after the screening pad is closed; if the Navy knows there is contamination, it should be addressed first. Mr. Yantos explained the screening yards will be scanned before the screening pads are installed, and then again after all of the screening pads are removed to make sure no contamination was left behind.

Andrea McHenry (resident) asked if there are other communities where residents remain during cleanup of contaminants such as dioxins, polycyclic aromatic hydrocarbons, and asbestos. Mr. Clark said this situation is not unique. For example, the Navy has a site in Novato, California, where the Navy conducted a cleanup where residents are living near the site. Ms. Smith said the situation is similar at the housing at Former Naval Air Station Alameda, with residents living near sites where there was an incinerator, and dioxins and furans and heavy metals were remediated. Ms. McHenry said she would like to state for the record that she is revolted and outraged, and beginning next month (May 2015) she no longer wants to live on the island. Mr. Forman said he understands the project will be inconvenient and disruptive to the residents. He pointed out

Bob Beck (TIDA) in the audience, and told Ms. McHenry she should speak to Mr. Beck and her housing provider if she wishes to move.

Erik Lundgren (resident) asked what is meant by "high winds" with regards to stopping work. Mr. Yantos said "high winds," are winds that reach 25 miles per hour and are sustained at that speed. If that occurs, it would necessitate a stop-work.

Carol Harvey (journalist) said she believes an epidemiological study should be made of the residents at TI. Ms. Harvey also said she is concerned that effort is being put into scanning for munitions at TI, when she believes soil imported from Doyle Drive for the city's reuse project will contain munitions and petroleum contamination. Ms. McFadden said any soil the city imports must be sampled, tested, and meet DTSC standards. Ms. McFadden added that she, on behalf of the Navy, reviews where the imported soil is from and verifies that the soil has passed DTSC standards. Mr. Forman added that, regardless of where the soil comes from, it would not be brought on the island if it does not pass DTSC standards.

Ms. Harvey asked where the contaminated soil from this project will be taken. Mr. Schul said it depends on the classification of the soil. The soil may go to Kettleman City near Bakersfield, or to a landfill in Pittsburg, California, as well as some other landfills. Ms. Harvey asked for a list of all of the landfills where the soil will be sent. Mr. Forman indicated that this will become available once the project is complete and the Navy produces a Removal Action Completion Report (RACR).

Ms. Lundgren said she agrees that an epidemiologic study is necessary for TI. Ms. Lundgren said she believes the Navy may have good intentions but site conditions and the cleanup are harming people. She believes all residents should be relocated until the cleanup is completed.

Dan Waligora (CDFW) asked if the Navy could share the specific acceptance criteria used to evaluate soil being imported to TI. He said he recalls seeing that information in a report before. Mr. Forman said those criteria will be provided in the final RACR.

Ms. Lundgren said the 2-minute time period allotted for questions is not adequate. She asked if there are plans for more in-depth question and answer sessions with the Navy in the future. Mr. Forman said he has collaborated with Mr. Beck to attend community meetings where he is present to answer community questions. Mr. Forman said he plans to continue attending community meetings to be available to answer community questions. Mr. Forman added that he feels the RAB meetings provide ample time for questions

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and answers now – with opportunities to ask questions on each presentation and then an open Q&A session at the very end of each meeting. Ms. Pilram said that in February, the day after the RAB meeting, the Navy attended the TIDA community meeting and brought staff to answer questions. However, only Ms. Pilram and Ms. Hogue attended; no other residents came to the meeting.

Ms. McHenry said she also thinks 2 minutes at the RAB meeting is not adequate; people should be able to ask as many questions as they want, and the Navy should make sure to answer all of them. Mr. Forman said the Navy wants to hear and answer questions. He noted he is available all the time, not just during RAB meetings, and his cell phone number, (415) 308-1458, is publicized and calls are welcomed. Mr. Forman added that many residents who have specific questions that they would like answered email him, and he responds.

Ms. Harvey said she is concerned that there are plans to build housing at the current Building 342 area because it is a contaminated area. Mr. Forman said Building 342 is not near Site 12; it is part of Site 24, and was used as a Radiation Detection, Indication, and Computation (RADIAC) training center. It is listed as radiologically impacted, which means it needs to be investigated. It is being investigated pursuant to the Historical Radiological Assessment Supplemental Technical Memorandum, but to say it is contaminated is incorrect and misleading. The Navy does not know that radiological contamination is present because the radiological surveys have not been completed yet. Mr. Forman also said it is incorrect to say the Navy is planning to use any area for housing. The Navy does not develop or implement the redevelopment plan. Mr. Forman added that the City of San Francisco has indicated it will not accept any property that is encumbered with radiological restrictions. Before transfer, which means before any sort of reuse and redevelopment, the property must receive radiological free release from the CDPH. The process has many steps and numerous safeguards.

#### New Business – Document Tracking Sheet and Field Schedule

Mr. Clark presented the Document Tracking Sheet (Attachment C) and the Field Schedule (Attachment D). Items highlighted in blue require agency comments within the next 30 days. Items highlighted in yellow will be issued in the next 30 days. Mr. Clark pointed out documents of interest, including the action memorandum for Site 12, the record of decision for Site 24, and the annual Site Management Plan.

#### New Business – Co-Chair Announcements and Future Agenda Items

Ms. Pilram said there is a meeting on April 22, 2015, at 7:00 p.m. (the night after the current meeting) at the Casa de la Vista for Yerba Buena Island (YBI)

Draft Treasure Island Restoration Advisory Board  
Meeting Minutes, 21 April 2015  
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residents. The purpose is to discuss their relocation to TI. There will be another meeting on April 25 at 10:00 a.m. for those who cannot attend on April 22. Mr. Beck said the meetings are open to the public, but are intended for YBI residents to get their questions answered.

**Closing Remarks**

Mr. Forman thanked everyone for attending. The next RAB meeting will be Tuesday, June 16, 2015. The meeting was adjourned at 8:56 p.m.

**Action Items**

#	Action Item	Due Date	Status
	None		

**21 April 2015 RAB Meeting Handouts**

- Attachment A: NAVSTA TI RAB Meeting No. 176 Agenda
- Attachment B: Next Removal Actions at Site 12
- Attachment C: Document Tracking Sheet
- Attachment D: Field Schedule

**AGENDA**  
**NAVAL STATION TREASURE ISLAND**  
**ENVIRONMENTAL RESTORATION ADVISORY BOARD MEETING**  
Tuesday, 21 April 2015  
Casa de la Vista Building 271, Treasure Island  
MEETING NO. 176

**I. WELCOME REMARKS AND AGENDA REVIEW**

**7:00 – 7:05** Welcome, Introductions  
Lead: Keith Forman, Navy Co-Chair

**7:05 – 7:10** Agenda Review  
Lead: Alice Pilram, Community Co-Chair

**II. OLD BUSINESS**

**7:10 -7:20** RAB meeting Minutes Approval  
Lead: Keith Forman, Navy Co-Chair

**7:20 – 7:30** BRAC Cleanup Team Update  
Leads: DTSC and Water Board

**III. NEW BUSINESS**

**7:30 – 8:25** Upcoming Site 12 Field Work -Westside/Bayside/NorthPoint  
Leads: Chris Yantos and Patricia McFadden, Navy  
Presentation Q&A : RAB  
Presentation Q&A : Community

**8:25– 8:35** Document Tracking Sheet and Field Schedule  
Lead: Dave Clark, Navy

**8:35 – 8:45** Co-Chair Announcements and Future Agenda Items  
Leads: Alice Pilram and Keith Forman

**IV. COMMENTS ON NON-AGENDA ITEMS**

**8:45 – 9:00** Community Question and Answer Period  
Lead: Keith Forman, Navy Co-Chair

**9:00** Adjourn



**FINAL**  
**Former Naval Station Treasure Island**  
**Restoration Advisory Board (RAB) Meeting Minutes**

Meeting 175

17 February 2015

**Community Restoration Advisory Board (RAB) Members in attendance:**

Nathan Brennan, Becky Hogue, Alice Pilram (Community RAB Co-Chair),  
Dale Smith

**Department of the Navy and Regulatory Agency RAB Members in attendance:**

Keith Forman, Navy RAB Co-Chair  
Nathan Schumacher, Department of Toxic Substances Control (DTSC)  
Remedios (Medi) Sunga, DTSC  
Myriam Zech, San Francisco Bay Regional Water Quality Control Board  
(Water Board)

**Other Navy and Regulatory Staff and Consultant Representatives in attendance:**

Bryce Bartelma, Navy	Jessica O'Sullivan, Tetra Tech, Inc.
Dave Clark, Navy	Lee Saunders, Navy
Yashekia Evans, Tetra Tech, Inc.	Tommie Jean Valmassy, Tetra
Derek Farmer, Tetra Tech, Inc.	Tech, Inc.

**Public Guests in attendance:**

Seanda Conley, resident	Erik Lundgren, resident
Max Garcia, John Stewart Co.	Elizabeth Wagner, NBC Bay Area
Carol Harvey, journalist	Melanie Williams, resident

**Welcome Remarks and Agenda Review**

Keith Forman (Base Realignment and Closure [BRAC] Environmental Coordinator [BEC]) opened the February RAB meeting for the Former Naval Station Treasure Island (NAVSTA TI) held at the Casa de la Vista (Building 271) on Treasure Island (TI). Mr. Forman introduced the regulatory agency representatives present: Myriam Zech (Water Board) and Medi Sunga (DTSC). Ms. Sunga introduced Nathan Schumacher (DTSC). Mr. Schumacher said he is now DTSC's Public Participation Specialist for NAVSTA TI and has experience working on other military bases. Mr. Forman also introduced all of the Navy staff present.

Alice Pilram (RAB community co-chair) reviewed the agenda (Attachment A). Mr. Forman noted the meeting will follow the same format, with public comment and questions timed for 2 minutes to allow everyone a chance to speak while

Final Treasure Island Restoration Advisory Board  
Meeting Minutes, 17 February 2015  
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adhering to the schedule. A beeping timer will now be used to better notify the speakers that the comment time limit has ended.

**Old Business – RAB Minutes Approval**

Mr. Forman confirmed a quorum was present for approving the draft December 2014 meeting minutes. Ms. Smith provided comments. The RAB voted to approve the December 2014, Meeting 174, meeting minutes as final, pending incorporation of comments.

**Old Business – BRAC Cleanup Team Update**

Ms. Sunga said DTSC has reviewed and commented on numerous documents since the last RAB meeting, including the Basewide Five-Year Review and associated fact sheet, the Site 6 remedial design work plan, and the Site 24 Proposed Plan (PP). Along with the Site 24 PP, DTSC was working on the related remedial action plan (RAP). In addition, DTSC worked with the California Department of Public Health (CDPH), which is a support agency to DTSC, reviewing radiological documents. A DTSC ecotoxicologist is reviewing responses to comments on the screening-level ecological risk assessment (SLERA) in support of the Water Board.

Ms. Zech said review of the SLERA for Site YF3 on Yerba Buena Island is a priority for the Water Board. She added that the Water Board is pleased that the remedial action completion plan (RACR) for Site 21 is completed. The RACR will be presented to the Water Board, and should be signed soon.

**New Business – Next Removal Actions at Site 12**

Bryce Bartelma (Navy) and Mr. Forman presented the update (Attachment B). Mr. Bartelma reviewed the objectives of the data gaps investigation, listed on slide 2. The field work was conducted in fall 2014, and Mr. Bartelma discussed the results and the next steps. Mr. Bartelma said the Navy maintains a large database, NIRIS, with tens of thousands of sample results. In reviewing some of those sample results for accuracy, there were five locations with duplicate sample discrepancies. This investigation will include samples in those locations to get accurate information.

Mr. Bartelma showed photographs of the methods used to collect samples. Horizontal directional drilling was used to gather samples beneath buildings. A limited access rig was used to core through the floor in vacant units. In other locations, a hand auger was used to collect a sample. During the review of slide 7, Mr. Bartelma noted there was only one detection above cleanup levels: polycyclic aromatic hydrocarbons (PAH) at Building 1217. Mr. Bartelma said all sampling areas were radiologically screened throughout the entire data gaps sampling event. There were no areas with elevated radiological readings during the data gaps investigation.

Mr. Bartelma reviewed the data collection points in the Gateview Avenue arsenic/petroleum study area. Approximately 13 soil borings were collected in that area; samples from these borings are being analyzed for petroleum products, including gasoline, diesel, and motor oil. There is a rubbish area near Gateview Avenue and Mariner Drive, and the Navy used a backhoe to dig eight test pits. Household rubbish was found in six of the eight test pits. Many of the items were old glass bottles. Based on Internet research, some of the Coca-Cola and Mennen aftershave bottles found can be dated to the 1950s, which helps date the rubbish.

The next step is an action memorandum to plan for a removal action for soil and groundwater. The data collected will help the team detail how to conduct the removal action. Mr. Bartelma reviewed a map showing the soil areas of Site 12 divided into areas 1, 2, and 3. The work at area 3 is listed as "optional" because of the size of the task. That designation means it is optional for the current contract; it does not mean the work itself is optional. Area 3 may be part of this removal action, or may have to be completed later.

Mr. Bartelma said this soil work is being planned as part of a removal action because the groundwater work must be completed, and it will be more expeditious, cost-effective, and will cause less disruption to residents to do the soil excavations at the same time.

Ms. Smith asked if the analytical database that Mr. Bartelma mentioned, NIRIS, will be available to others in the future, especially if sampling needs to be revisited. Mr. Clark said it is an official database that the Navy will continue to maintain.

Ms. Smith noted that horizontal drilling is not actually horizontal, and asked about the depth below the surface the drill is reaching. Mr. Bartelma said the team targeted a depth of 4 feet below ground surface. He explained that the horizontal directional drill is inserted into the ground at an angle, but then flattens out. It is a unique technology that can turn in many directions, if needed.

Ms. Smith asked if soil samples were mixed before chemical characterization. Mr. Bartelma said the soil samples were not composite, but were "spot" samples. Ms. Smith asked how that information will be used in the feasibility study once this removal action is complete. Mr. Bartelma said the removal action will feed into the process; the Navy will still complete a PP and a Record of Decision for Site 12, and it will note that this area has already been excavated.

Ms. Smith said she has had concerns about the SLERA. She is also concerned about the YF3 report and is glad it is not finalized. Ms. Smith said the Navy is excavating total petroleum hydrocarbons (TPH) in Site 12, but will not excavate

Final Treasure Island Restoration Advisory Board  
Meeting Minutes, 17 February 2015  
Page 4 of 7

the weathered TPH at YF3. Ms. Zech said the Water Board and the Navy have been exchanging views about the SLERA. However, the YF3 site is along the shoreline, so excavation would not work at that site. Mr. Clark said there is no final decision on what to do at YF3, and all options are still being considered. The Navy must make sure that any action they may take does not do more harm than good since the site is located on the shoreline in the middle of the natural habitat of San Francisco Bay. Mr. Forman added that a distinguishing factor between these two petroleum sites is that at Site 12, the data indicate the arsenic is being mobilized by the TPH and could reach the bay. For Site YF3, the Navy and Water Board have not agreed on the mobility of the contaminants, although the Navy has agreed to gather more data.

Ms. Smith asked if the arsenic will remobilize in the Gateview area after the cleanup, once the oxygen reducing compound (ORC) is depleted. Mr. Bartelma said it is important to remove the petroleum first, because that is what is causing the arsenic to mobilize. Once the petroleum is removed, the ORC will allow the arsenic to adhere to soil, and it should not re-mobilize unless petroleum was once again introduced into the soil.

Ms. Smith said she is concerned about a statement in the Site 12 Feasibility Study Addendum that Building 1313 may not be vacated in order to avoid disruption to residents. She noted residents have already been relocated in several areas, and she wants what is best for a thorough cleanup. Mr. Bartelma said disruption to residents is a consideration, but the most sound, science-based plan for cleanup is always what will be used. Mr. Bartelma added that, on further investigation, it has been determined that Building 1313 will need to be vacated so it can be demolished. Mr. Forman added that, currently, the Navy has not yet decided whether Building 1311 will also need to be demolished.

Melanie Williams (resident) asked for clarification about where Buildings 1311 and 1313 are located. Mr. Forman indicated the location on a map, and said they are within the Site 12 housing area. Ms. Williams said her primary concern is finding out whether current residents are safe. Mr. Forman said the current conditions continue to be safe for residents. The cleanup the Navy is doing is for long-term reuse, to be compatible with the City's reuse plan. The Navy and its contractors continue to protect the safety of workers and residents by taking precautions such as minimizing dust during work activities, and preparing and implementing full health and safety plans, which are reviewed by the regulatory agencies.

Erik Lundgren (resident) asked if the contractors assigned the cleanup work are wearing the proper protective gear, and if OSHA (the Occupational Safety and Health Administration) is involved in making sure workers are protected. Mr. Bartelma said the proper level of OSHA safety gear is identified in advance for

each project. The team used level D safety gear, which includes a hard hat and glasses, for the data gaps investigation being presented at the current meeting. Mr. Lundgren asked if the workers are directly aware of the safety gear they are required to wear. Mr. Bartelma said all the workers are aware of the appropriate safety gear they are required to wear; each person must review and sign off on the project health and safety plan. Mr. Bartelma said OSHA does not typically observe the work, but the contracting companies have their own site safety officers who verify that the health and safety plan is being followed.

Mr. Lundgren asked about a project where terra cotta pipes were removed. He asked if radiation contamination could have seeped through the terra cotta and caused some exposure to radiation. Mr. Clark said the water at Site 12 is regularly sampled, and there has been no indication of a radiation issue in the groundwater.

Carol Harvey (journalist) asked if the Navy had attended a community meeting at the Ship Shape Community Center to answer community questions. Mr. Forman said he has attended several community meetings. The next meeting is February 18, 2015 (the day after the current meeting), at 6:30 p.m. and he will be there. He noted the question and answer for that meeting is not based just on the presentation from the RAB meeting; the Navy will answer any general environmental work questions from the community.

Ms. Harvey asked about the origin of the benzene detection on Avenue B, and the arsenic on Gateview Avenue. Ms. Harvey said these locations seem close to the USS Pandemonium Site I location and asked if there is a connection. Mr. Clark said the benzene is related to petroleum that is in the area. There were historical refueling stations in the area, so they are the likely source of the petroleum, but it cannot be known for certain. The arsenic is naturally occurring. Mr. Clark indicated on the map the location of the refueling stations and the USS Pandemonium Site I area, and Mr. Forman said it is not close to the benzene and arsenic areas Ms. Harvey is questioning. He added that the USS Pandemonium Site I area, the TPH site, and the two benzene detections are in no way related to one another.

Mr. Lundgren said he has a friend who works for Recology. The friend said his company was responsible for removing soil from TI, and Mr. Lundgren is concerned that it was possibly contaminated with asbestos. He asked if Recology and its workers were made aware of the contamination. Mr. Forman said he is not familiar with Recology. It was clarified that Recology is a garbage contractor to the City. Mr. Clark and Mr. Forman said they are not aware of any project in which the Navy would have used Recology to remove any soil.

### New Business – Document Tracking Sheet and Field Schedule

Mr. Clark presented the Document Tracking Sheet (DTS) (Attachment C) and the Field Schedule (Attachment D). He focused on the numerous documents related to Site 12, listed as items 4 through 8 on the DTS. Mr. Clark noted that the PP for Site 24 will be issued on February 20, 2015, and a public meeting will be held on March 11, 2015. Mr. Clark moved on to the field schedule. Buildings have been demolished as part of the Phase III non-time critical removal action (NTCRA). Excavation will begin during spring 2015, and residents will be notified.

Ms. Harvey said there was a building in the housing area where the Navy removed siding and was going to give it to housing providers. She asked for the number of that building and if it is still standing. Mr. Forman said it was Building 1231, and the building has been demolished, but the foundation remains for now.

### New Business – Co-Chair Announcements and Future Agenda Items

Ms. Pilram said there is a community meeting tomorrow night, February 18, 2015, at the Ship Shape Community Center on TI. Mr. Forman said he will be there, along with TIDA consultant Chris Glenn from Langan Treadwell Rollo. They are not making a formal presentation, but will be present to answer questions about the environmental program.

Mr. Forman reiterated that the Site 24 PP public meeting, required by federal statute, will be held at the Casa de la Vista on Tuesday, March 11, 2015, from 6:30 p.m. to 8:00 p.m. The Navy will present posters about the project at the beginning of the meeting, and the Navy project manager, along with regulatory agency representatives, will be present to discuss the PP.

Mr. Forman announced that the completion report (a RACR) for Site 27 has been finished and signed. The RACR for Site 31 also has been finished and is pending Water Board signature. The RACR is a milestone for the environmental program because it closes out the environmental site. In addition, reaching this milestone will give Navy and regulatory agency staff the opportunity to focus more attention on the top priority site, which is Site 12. Mr. Forman said 2015 will be an active year for cleanup at Site 12, with extensive field work beginning in April. Mr. Forman thanked the community members for their patience with the cleanup process. He said the Navy will do its best to complete the job of environmental cleanup while being mindful that it is in a neighborhood and needs to keep disruption limited.

### Closing Remarks

Mr. Forman thanked everyone for attending. The Next RAB meeting will be Tuesday, April 21, 2015. The meeting was adjourned at 8:39 p.m.

### Action Items

#	Action Item	Due Date	Status
	None outstanding		

### 17 February 2015 RAB Meeting Handouts

- Attachment A: NAVSTA TI RAB Meeting No. 175 Agenda
- Attachment B: Site 12 Data Gaps Investigation Results
- Attachment C: Document Tracking Sheet
- Attachment D: Field Schedule

**AGENDA**  
**NAVAL STATION TREASURE ISLAND**  
**ENVIRONMENTAL RESTORATION ADVISORY BOARD MEETING**  
Tuesday, 17 February 2015  
Casa de la Vista Building 271, Treasure Island  
MEETING NO. 175

**I. WELCOME REMARKS AND AGENDA REVIEW**

**7:00 – 7:05    Welcome, Introductions**  
Lead: Keith Forman, Navy Co-Chair

**7:05 – 7:10    Agenda Review**  
Lead: Alice Pilram, Community Co-Chair

**II. OLD BUSINESS**

**7:10 -7:30    RAB meeting Minutes Approval**  
Lead: Keith Forman, Navy Co-Chair

**7:30 – 7:40    BRAC Cleanup Team Update**  
Leads: DTSC and Water Board

**III. NEW BUSINESS**

**7:40 – 8:25    The Next Removal Actions at Site 12**  
Lead : Bryce Bartelma, Navy  
Presentation Q&A : RAB  
Presentation Q&A : Community

**8:25– 8:35    Document Tracking Sheet and Field Schedule**  
Lead: Dave Clark, Navy

**8:35 – 8:45    Co-Chair Announcements and Future Agenda Items**  
Lead: Alice Pilram, Community Co-Chair

**IV. COMMENTS ON NON-AGENDA ITEMS**

**8:45 – 9:00    Community Question and Answer Period**  
Lead: Keith Forman, Navy Co-Chair

**9:00            Closing Remarks**  
Lead: Co-Chairs



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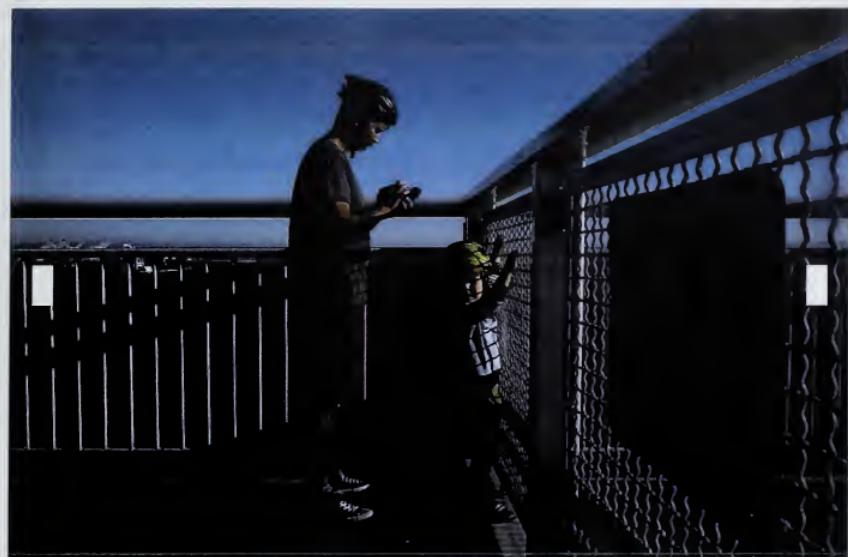


Photo: Carlos Avila Gonzalez, The Chronicle

**IMAGE 1 OF 8**

Joel DeVries (left) and son Ellis, 2, look out over the fence at the end of the bicycle pedestrian path on the Bay Bridge.

### **Stuck in the middle**

For now, and at least the next few months, frustrated bike riders are stuck with a path that ends above the middle of the bay.

"I'm not shocked, outraged or surprised," said Joel Tornatore, 51, of Piedmont, a software writer who rode the path with a friend and their children Thursday afternoon. "It seems like just another one of those projects that just never gets done. It's unfortunate, but it's just a way of life in California."

*Michael Cabanatuan is a San Francisco Chronicle staff writer. E-mail: mcabanatuan@sfchronicle.com Twitter: @ctuan*

### **Tell Chronicle Watch what needs fixing**

If you know of something in the Bay Area that needs to be improved or fixed, The Chronicle wants to hear from you. E-mail your issue to [chronicletwatch@sfchronicle.com](mailto:chronicletwatch@sfchronicle.com), or reach us on Twitter at [@sfchronwatch..](https://twitter.com/sfchronwatch)



**Michael Cabanatuan**

Transportation Reporter

9:19 AM  
Chickens and nails  
spill as rain wreaks  
havoc on Bay Area  
roads



8:32 AM  
Man killed after  
darting into traffic on  
I-880 in Milpitas



7:33 AM  
Chronicle Watch:  
Cyclists spin wheels  
at Bay Bridge bike  
path...

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IMAGES

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9:19 AM  
Chickens and nails  
spill as rain wrecks  
havoc on Bay Area  
roads



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7:33 AM  
Chronicle Watch:  
Cyclists spin wheels  
at Bay Bridge bike  
path...



# San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

651 Bryant Street  
San Francisco, CA 94107  
T 415.227-8500  
F 415.227-8505  
TTY 415.554.3488

## NOTICE OF PLANNED ELECTRIC SERVICE INTERRUPTION

SFPUC High Voltage Crew will have the power off on Treasure Island in the business areas mentioned below. This is for our Department to perform necessary repairs for your comfort and convenience, and to ensure reliable service to all our customers. In order to safely perform the work, we need to temporarily interrupt your electric service. We will do our utmost best to minimize the length of service interruption, but please be prepared to be without service on the estimated time and date below:

**Monday, October 5, 2015**  
**Time: 8:00 AM to 5:00 PM**

### Affected Service Areas of Treasure Island Facilities Include:

Treasure Island Housing all units, all buildings addresses: 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309, 1310, 1311, 1312, 1313, 1314, 1315, 1316, 1318, 1108, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1122, 1124, 1126, 1127, 1128, 11219, 1131, 1135, 1137, 1139, 1141, 1143, 1145, 1147, 1149.

Storm Station # 24 Mason ct.

Storm station # 25 Westside drive

Pump station # 14 Ave B & Sturgeon.

Pump station 34 Ave B & 12<sup>th</sup>

Pump station 45 13<sup>th</sup> Street

It is important to note the following:

If you are a Landlord with tenant(s) in the area mentioned above and the SFPUC bill is in your name, **it is your responsibility** to notify the tenant(s) of the planned service interruption.

**Unsafe weather conditions or any unforeseen emergency will force us to cancel the work at the last minute, and we will therefore be unable to notify you of the cancellation. We will, however, notify you of the rescheduled date and time.**

**SAFETY WARNING:** Residents **should not** use generators under any circumstances without the knowledge of the Housing provider. If you use a generator during the service interruption, you **must isolate your generator** from the SFPUC system. **Failure to do so** will not only damage your generator, but **can cause serious injury** to our electric crew personnel.

Edwin M. Lee  
Mayor

Ann Mollor Cuem  
Commissioner

Francesca Vietor  
Commissioner

Vince Courtney  
Commissioner

Anson Moran  
Commissioner

Ike Kwan  
Commissioner

Hari L. Kelly, Jr.  
Commissioner

Below are a few recommendations to help minimize any inconvenience to you:

- If you rely on life support devices, please consider the following:
  - ❖ Find alternate lodging at a location not affected by the interruption;
  - ❖ Contact your Housing provider for them to get generators ahead of time, since they have a list of who requires medical devices.
- Computers and other electronic equipment are particularly sensitive to power interruption. We highly recommend unplugging this equipment before the shutdown period.
- Security systems, clocks, irrigation timers, and similar equipment will likely require resetting after the shutdown is completed.
- Contents of your refrigerator or freezer should not spoil for the duration of this service interruption if these appliances are kept closed.
- Have on hand battery-powered flashlights available with fresh batteries.

We apologize for the inconvenience, and thank you for your patience.

Charles Rowles, Supervisor  
SFPUC – Power Enterprise  
Utility Services Division

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**Tuesday, October 6, 2015**  
**Time: 8:00 AM to 1:00 PM**

### Affected Service Areas of Treasure Island Facilities Include:

**Treasure Island Housing all units all buildings on Bayside Drive addresses:  
1201, 1203, 1205, 1215, 1220, 1222, 1224, 1226  
Storm Station # 23**

It is important to note the following:

If you are a Landlord with tenant(s) in the area mentioned above and the SFPUC bill is in your name, it is your responsibility to notify the tenant(s) of the planned service interruption.

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(See Page 2)

Edwin M. Lee

Ann Moller Caen

Francesca Vietor

Vince Courtney

Alison Moran

Ike Kwon

Harlan L. Kelly, Jr.

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Charles Rowles, Supervisor  
SFPUC – Power Enterprise  
Utility Services Division

\*\*\*\*\*



# San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

651 Bryant Street  
San Francisco, CA 94107  
T 415.227-8500  
F 415.227-8505  
TTY 415.554.3488

## NOTICE OF PLANNED ELECTRIC SERVICE INTERRUPTION

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**Wednesday, October 21, 2015**

**Time: 7:00 AM to 1:00 PM**

**Affected Service Areas of Treasure Island Facilities Include:**

Treasure Island Buildings 43, 62, 69, 330(old gas station), 64, 335(rubicon), 445, fire school (600 M ave), lot at N ave & 12<sup>th</sup> street.

Pump station 43

It is important to note the following:

If you are a Landlord with tenant(s) in the area mentioned above and the SFPUC bill is in your name, it is your responsibility to notify the tenant(s) of the planned service interruption.

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(See Page 2)

Edwin M. Lee  
Mayor

Ann Moller Caen  
President

Francesca Vietor  
Vice President

Vince Courtney  
Commissioner

Anson Moran  
Commissioner

Ike Kwon  
Commissioner

Harlan L. Kelly, Jr.  
General Manager



Below are a few recommendations to help minimize any inconvenience to you:

- If you rely on **life support devices**, please consider the following:
  - ❖ Find alternate lodging at a location not affected by the interruption;
  - ❖ Contact your Housing provider for them to get generators ahead of time, since they have a list of who requires medical devices.
- **Computers and other electronic equipment** are particularly sensitive to power interruption. We highly recommend unplugging this equipment before the shutdown period.
- **Security systems, clocks, irrigation timers**, and similar equipment will likely require resetting after the shutdown is completed.
- Contents of your **refrigerator** or **freezer** should not spoil for the duration of this service interruption if these appliances are kept closed.
- Have on hand battery-powered flashlights available with fresh batteries.

We apologize for the inconvenience, and thank you for your patience.

Charles Rowles, Supervisor  
SFPUC – Power Enterprise  
Utility Services Division

\*\*\*\*\*



# San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

651 Bryant Street  
San Francisco, CA 94107  
T 415.227.8500  
F 415.227.8505  
TTY 415.554.3488

## NOTICE OF PLANNED ELECTRIC SERVICE INTERRUPTION

SFPUC High Voltage Crew will have the power off in Treasure Island in the business areas mentioned below. This is for our Department to perform necessary repairs for your comfort and convenience, and to ensure reliable service to all our customers. In order to safely perform the work, we need to temporarily interrupt your electric service. We will do our utmost best to minimize the length of service interruption, but please be prepared to be without service on the estimated time and date below:

**Thursday, October 22, 2015**  
**Time: 7:00 AM to 1:00 PM**

**Affected Service Areas of Treasure Island Facilities Include:**

**Treasure Island Buildings 230, 390, 96, 260, 343**  
**Pump stations 7 & 8**

It is important to note the following:

If you are a Landlord with tenant(s) in the area mentioned above and the SFPUC bill is in your name, **it is your responsibility** to notify the tenant(s) of the planned service interruption.

**Unsafe weather conditions or any unforeseen emergency will force us to cancel the work at the last minute, and we will therefore be unable to notify you of the cancellation. We will, however, notify you of the rescheduled date and time.**

**SAFETY WARNING:** Residents **should not** use generators under any circumstances without the knowledge of the Housing provider. If you use a generator during the service interruption, you **must isolate your generator** from the SFPUC system. **Failure to do so** will not only damage your generator, but **can cause serious injury** to our electric crew personnel.

(See Page 2)

Edwin M. Lee  
Mayor

Ann Moller Caen  
President

Francesca Vietor  
Vice President

Vince Courtney  
Commissioner

Anson Moran  
Commissioner

Ike Kwon  
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Harlan L. Kelly, Jr.  
General Manager



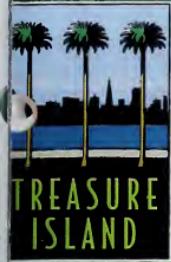
Below are a few recommendations to help minimize any inconvenience to you:

- If you rely on **life support devices**, please consider the following:
  - ❖ Find alternate lodging at a location not affected by the interruption;
  - ❖ Contact your Housing provider for them to get generators ahead of time, since they have a list of who requires medical devices.
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We apologize for the inconvenience, and thank you for your patience.

Charles Rowles, Supervisor  
SFPUC – Power Enterprise  
Utility Services Division

\*\*\*\*\*



# TIDA Board of Directors On-Island Meeting & Community Information Session November 18, 2015

The Treasure Island Development Authority Board of Directors  
will hold an on-Island meeting on  
Wednesday November 18th beginning at 7:00 PM.

The Board Meeting will be preceded by a reception and drop-in poster session providing residents an opportunity to learn about  
upcoming activities and changes as development begins this year.

ooster stations will be staffed by:

1. Treasure Island Development Authority (TIDA)
2. Treasure Island Community Development (TICD)
3. Treasure Island Homeless Development Initiative (TIHDI)
4. Treasure Island Mobility Management Agency (TIMMA)

Resident Reception and Information Session:	5:30 PM - 7:00 PM
TIDA Board of Directors on-Island Meeting:	7:00 PM
Location:	Casa de la Vista, 191 Avenue of Palms, Treasure Island

All members of the Island community are invited to attend the  
Information Session and the Board of Directors Meeting!



# A Treasure Island Transportation Update



## JOIN US AT AN OPEN HOUSE

We've incorporated feedback from earlier outreach and have revised our policy proposals for the future toll that will fund transit improvements on Treasure Island.

Join the Treasure Island Mobility Management Agency at one of two Open House events to discuss refined toll policies and accommodations for current and future low income residents of Treasure Island.

There will not be a formal presentation, so please feel free to arrive anytime during the Open House.

我們已將之前宣導活動中獲得的反饋意見進行整合，並修訂了用於資助金銀島上交通改善工程的未來通行費之政策提案。請前來參加金銀島流動管理機構舉辦的兩場討論會，研討如何為金銀島現有及未來低收入居民提供更完善、通行費政策和各項滿足其需求的舉措。討論會中不會有正式報告，因此歡迎民眾在會議舉行時間內隨時入場。如有特別需求或語言協助，請至少提前72小時致電415.593.1655。

Hemos incorporado retroalimentación de las campañas anteriores de alcance y hemos modificado nuestras propuestas de políticas para el futuro peaje que financiará las mejoras al transporte público en Treasure Island. Venga a una de dos Jornadas Abiertas para hablar con la Agencia de Gestión de Movilidad de Treasure Island (Treasure Island Mobility Management Agency) sobre políticas refinadas de peaje y facilidades para residentes actuales y futuros de Treasure Island con ingresos bajos. No habrá una presentación formal, por lo tanto puede llegar a cualquier hora durante la Jornada Abierta. Para adaptaciones especiales o asistencia con el idioma, por favor llame al 415-593-1655 al menos 72 horas por adelantado.

Мы учли полученные нами с предыдущих мероприятий обратную связь и внесли изменения в предложенные нами тарифные изменения по взиманию пошлины в целях финансирования проекта модернизации общественного транспорта на острове Treasure Island. Участие во встречах, организуемых посредством агентства острова «Treasure Island Mobility Management Agency» для обсуждения вопросов о взимании пошлины и предоставления льгот наименшим и будущим жителям острова с низким доходом. Официальной презентации не будет, так что, пожалуйста, приходите в любое время во время встречи на место проведения «Открытых дверей». Для специальных услуг или помощи переводчика, пожалуйста, звоните 415.593.1655 не позднее чем за 72 часа до встречи.

### OPEN HOUSE INFORMATION:

**Wednesday, Nov 18**

**5:30-7:30PM**

**Casa de la Vista  
191 Avenue of the Palms  
San Francisco, CA**

**Saturday, Nov 21**

**2:00-4:00PM**

**Ship Shape Community Center  
850 Avenue I  
San Francisco, CA**

For more information about the project, visit [www.timma.org](http://www.timma.org) or email [timma@sfcta.org](mailto:timma@sfcta.org)

For special accommodations or language assistance, please call 415.593.1655 at least 72 hours in advance.



# YOU'RE INVITED



## Listening Sessions for Treasure Island-Based Businesses

**Who:** The Treasure Island Mobility Management Agency (TIMMA)

**What:** Convening two Listening Sessions to gather additional input from Treasure Island-based businesses.

**Background:** Adopted in conjunction with the master development agreement, the Treasure Island Transportation Improvement Plan (TITIP) provides the transportation vision for Treasure Island. The vision for the TITIP seeks to support walking, biking, and transit, and to minimize additional congestion on the San Francisco-Oakland Bay Bridge. This vision is to be achieved through a congestion toll, parking charges, and transit pass purchases which will fund extensive new transit, shuttle, and bicycle services.

We have heard the needs and interests of current residents, business owners and representatives, workers, and visitors, and want to share our ideas with you for a transportation system that can serve as a model of sustainable urban neighborhood development. More information is located at: [www.sfcta.org/TIMMA](http://www.sfcta.org/TIMMA)

**Why:** TIMMA would like to hear your additional input regarding transportation as it relates to you, your employees, your customers, deliveries and equipment.

**Where:** Casa de la Vista located at 191 Avenue of the Palms, San Francisco, CA 94130

**When:** Two Listening Sessions have been scheduled to accommodate the demanding schedules of business people. You are invited to attend one, or both, if you wish:

### Session Number 1

Thursday, November 19, 2015 from 3:00pm - 4:00pm

### Session Number 2

Friday, November 20, 2015 from 7:00am - 8:00am

**Questions:** Sarah Fine: 415-522-4819 or [sarah.fine@sfcta.org](mailto:sarah.fine@sfcta.org)

Paul Pendegast: 415-621-0600 or [paul@pendegastconsultinggroup.com](mailto:paul@pendegastconsultinggroup.com)

**RSVP:** [paul@pendegastconsultinggroup.com](mailto:paul@pendegastconsultinggroup.com)



# TREASURE ISLAND SEWER SYSTEMS

Treasure Island has "Separated" Sewer Systems (different pipes, different pumps, etc.) for moving, managing and treating on-island sewage and stormwater. When reporting problems it is important to know the difference.

## Sanitary Sewer System

- Visible sewage leak in your apartment or backyard?
- Sewage smell in your apartment or backyard?
- Clogged toilet?

NOTIFY YOUR RESIDENTIAL PROPERTY MANAGER IMMEDIATELY FOR INSPECTION AND REPAIR.



- Visible sewage leak in the street, island common area or coming out of a manhole marked "Sanitary Sewer" (see picture to the left)?

**Report immediately to SF 311 as a "potential Sanitary Sewer overflow" & provide as much detail as possible in order to assist responding SFPUC Sewer Operations crews.**

## Storm Sewer System

Standing water and on-street flooding can often be the result of clogged on-island storm sewer drains and manholes (like the ones pictured below), which collect and move rainwater into San Francisco Bay. Report clogged and overflowing storm sewer drains on-island to **SF 311**. Remember to specify it's part of the "Storm Sewer" system in order to assist responding SFPUC Sewer Operations crews.





San Francisco Department of Public Health

# Treasure Island Nurse Intervention Clinic

at

Treasure Island Gymnasium  
749 9th Street at Avenue M

**Open every Tuesday and Friday from 4P to 7P.**

**FREE OF CHARGE TO ISLAND RESIDENTS!**

**No insurance or co-pays required. No appointments necessary.**



## Services Available Include:

### **• Flu Shots**

- Tb testing; Flu, Tdap vaccines
- Education
- On-site, face-to-face consultations and advice
- More

### **“On the Spot” Treatments for:**

- Common Cold
- Aches and Pains
- Viral Infections
- Asthma & Allergies
- Rashes/Lice/Athletes Foot
- More

Offering urgent but common low-acuity treatments, preventative care, advice, referrals, linkages to primary care and more!

# Departamento de Salud Pública de San Francisco

## Treasure Island Nurse Intervention Clinic

En

Treasure Island Gymnasium  
749 9th Street, Treasure Island

Abierto todos los **martes** y **viernes** de **4 a 7 pm**



### Incluyen los siguientes servicios:

- Vacunas contra la gripe
- Pruebas de TB; vacunas de Tdap
- Charlas
- Consultas y asesoramiento in-situ

Tratamientos inmediatos para:

- Resfriado común
- Molestias y dolores
- Infecciones virales
- Asma y alergias
- Erupciones / piojos / pie de atleta
- Otros más

La clínica ofrece tratamientos no serios pero urgentes y comunes, cuidado preventivo, asesoramiento, referencias, colaboración con la atención primaria y ¡mucho más!

No es necesario tener seguro o efectuar co-pagos ni tampoco obtener previa cita.

**¡GRATIS PARA LOS RESIDENTES DE ISLAND!**

# Treasure Island Nurse Intervention Clinic sa

Treasure Island Gymnasium  
749 9th Street at Avenue M

Bukas tuwing Martes at Biyernes mula 4P hanggang  
7P. LIBRE SA MGA RESIDENTE NG ISLA!

Walang hinihingking insurance at mga co-pay. Hindi  
kailangan ang mga appointment.



## Kasama sa Mga Magagamit na Serbisyo ang:

- Bakuna sa Trangkasos
- Pagsusuri ng Tb; Trangkasos, mga bakuna sa Tdap
- Edukasyon
- Harap-harapang konsultasyon at payo sa lugar mismo
- Marami pa

Paggamot “Sa Lugar Mismo” para sa:

- Sipon
- Pangingirot at Pananakit
- Impeksiyong dulot ng Virus
- Hika at mga Allergy
- Pantal/Kuto/Alipungna
- Marami pa

舊金山公共衛生部

寶藏島

護理介入型診所

地址：

寶藏島體育館

寶藏島第 9 街 749 號

開放時間每週二及週五下午 4 點至 7 點。



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- 肺結核篩檢、流感、破傷風-白喉-百日咳 (Tdap) 混合疫苗
- 衛教
- 診所現場諮詢暨建議
- 其他項目

**「對症」治療對象：**

- 一般感冒
- 疼痛
- 病毒感染症
- 氣喘暨過敏
- 皮疹／蟲／香港腳
- 其他病症

另外，提供緊急、常見的非重大治療、疫病防治、建議、初期醫護服務的轉介和連結，以及其他服務！

無需自購保險或承擔自付款，無需約診。

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**From the San Francisco Business Times**

**[treasure-island-lennar-urban-wilson-meany-housing.html](http://www.bizjournals.com/sanfrancisco/blog/real-estate/2015/10/treasure-island-lennar-urban-wilson-meany-housing.html)**

# Will Treasure Island megaproject up the ante on affordable housing?

Oct 9, 2015, 1:01pm PDT



**Cory Weinberg**

Reporter- *San Francisco Business Times*

[Email](#) | [Twitter](#) | [LinkedIn](#)

Football and baseball are games of inches. But San Francisco's favorite sport – housing politics – is a game of percentages.

Market-rate developers building megaprojects have gotten prodded more and more lately to pay for a higher percentage of affordable units as the housing crisis escalates. The latest urging came from Supervisor [Jane Kim](#), who wants the city to explore whether it would be financially viable to set aside 40 percent of the units for low- and middle-income residents at the Treasure Island development, which is the third-largest housing development in the city's pipeline.

"Now 40 is the new 30," Kim said. "The project is entitled and there is an agreement set by both parties. I want to study it and see what's possible."

## See Also

- [Meet the builders behind 4 of San Francisco's biggest projects](#)
- [Navy's move speeds up 8,000 units in Treasure Island pipeline](#)
- [In 'extraordinary' week for affordable housing, developers win](#)

Indeed, developers [Lennar Urban](#) (NYSE: LEN) and [Wilson Meany](#) already inked a plan approved by the Board of Supervisors to build 25 percent of the 8,000-unit, \$1.5-billion project as deed-restricted affordable units.

It's important to note that Kim and other policy makers don't have much leverage in forcing an increase in that percentage to 40 percent, because the deal was already signed, sealed and delivered.

But the call for that much affordable housing comes after the San Francisco Giants struck a

deal with Kim and others to reserve 40 percent of its about 1,500 rental units at their proposed Mission Rock development for low- and middle-class residents.

This higher percentage is financially viable for the team in part because the team is building on Port-owned land and the housing development will also be subsidized by dense office and retail spaces. Developers of infill residential developments neighborhoods like the Mission and South of Market are also getting more pressure to increase affordable housing commitments, increasing the number of project-by-project political fights.

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See more: ['Monumental' housing bill funds \\$500 million in S.F. affordable projects, accelerates 3,300 units](#)

[San Francisco Supervisor Wiener introducing legislation to speed affordable housing projects](#)

[S.F. supervisors weigh whether to allow building three stories higher](#)

---

At Treasure Island, 40 percent is also a long shot, but there may be room for Lennar and [Wilson Meany](#) to up the ante from 25 percent to 30 percent in light of a new state law that could allow new tax increment revenue to flow into the project. Areas of the city like the Transbay District (home of Salesforce Tower) and Mission Bay also use tax increment financing to help fund affordable housing, as well as contributions by developers.

"We have an existing development agreement in place with specific provisions for affordable housing and community benefits. If we and our partner, the city, mutually determine that this legislation creates additional funding opportunities for the project, we will move toward the 30 percent goal as outlined in our agreement," said [Lennar Urban](#) regional vice president Kofi Bonner.

Last month, the California Senate approved legislation known as Assembly Bill 2 that would allow cities to create so-called "community revitalization authorities" that could invest property tax funds into affordable housing, particularly at former naval bases like Treasure Island. The authorities were designed to be replacements for redevelopment agencies, which Governor Jerry Brown dissolved in 2011.

When those redevelopment agencies went away, the Treasure Island developers and the Board of Supervisors agreed to bring their affordable housing commitment a few notches down, from 30 percent to 25 percent.

That ratcheting down of affordable housing inflamed opponents like former Supervisor [Aaron Peskin](#), who sued the project for allegedly not sufficiently studying the amount of hazardous material in the soil of the former World War II Naval base.

The suit was tossed out, but delayed the project by about three years. Peskin said he opposed the project in part because the developers wanted a lower affordable housing commitment than the initial agreement.

"I come from a school where a deal is a deal is a deal," said Peskin, who is now running for his former seat.

Kim's resolution requests that the Board and the Treasure Island Development Authority "convene a working group within 30 days to develop recommendations to establish 40% affordable housing on Treasure Island" and report back in three months.

Cory covers real estate and economic development.



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# Treasure Island Festival in San Francisco Focusing on The Next Big Thing in Comedy

By Interrobang Staff on October 9, 2015

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## THE BLAH BLAH BLAH

PRESENTED BY FUNNY OR DIE

TIM HEIDECKER • JERROD CARMICHAEL  
 JONAH RAY • CHRIS GETHARD • JON DORE  
 WITH SPECIAL GUEST LAUREN LAKPKUS  
 THROWING SHADE WITH ERIN GIBSON & BRYAN SAFI  
 HEY : AN AFTERNOON WITH KATE BERLANT AND JOHN EARLY  
 GUY BRANUM PRESENTS: TALK SHOW: THE GAME SHOW  
 MICHELLE WOLF • MAX SILVESTRI  
 BARRY ROTHBART • JERMAINE FOWLER

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### LATEST COMEDY NEWS



T Money is Back Returns to NYC New York Com



Bobcat Headlin Marden Wins, Change and More in New York



Conan O'Brien Show in America



Comedians of Week of Oct 10



Amy Schumer After Hosting

Treasure Island Music Festival is coming up and this year they have an amazing comedy lineup to go along with their great music festival stages.

This will be the first year Treasure Island has officially offered a comedy tent during their festival, and they've partnered up with Funny or Die to make sure everything is great. They're calling the comedy stage "The Blah Blah Blah Comedy Tent presented by Funny or Die" and they're going to be filling the tent/stage with some pretty spectacular talents.

Tim Heidecker, Jonah Ray, John Dore, Kate Berlant, John Early, Max Silverstri, Barry Rothbart,

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## Tent.

We talked with Rae Einerson who has had a hand in the booking of the comedians along with Funny Or Die about setting up a first time comedy tent at a festival that has been building up for nine years. Einerson told us she's always been a huge comedy fan and so when the opportunity arose to suggest a comedy tent in conjunction with Funny or Die, she jumped at it.

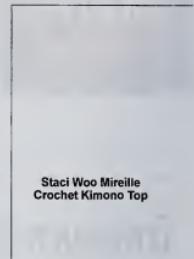
The comedic personality of the comedy tent will match the tone of Treasure Island's music line up, Einerson told us. "Treasure Island, in terms of the music line up has always been those bands that are on the brink, bubbling below the surface and alternative and indy," she said. "So we wanted to mirror that with the comedy line up and find those comedians that maybe you haven't heard of yet but give em a year, give em six months and they'll be a household name." The last few years musically, for example performers like Amon Tobin and Edward Sharp start with the festival on smaller stages, and then come back and can headline. "So we were looking for those sorts of special acts that we know are great and as soon as everyone else hears about them is gonna explode."

The "Blah Blah Blah Tent presented by Funny or Die" will house variety shows, podcasts, and of course traditional stand up shows. "We just booked what we wanted to see and then we hope people like our taste," Einerson said. And their test is outstanding. Tim Heidecker is on the bill, Chris Gethard is performing, Jerrod Carmichael, and Jermaine Fowler are on the line up, and you'll see Guy Branum, Kate Berlant, John Early, Jonah Ray, Max Silvestri, Michelle Wolf and more.

Guy Branum will be hosting "Talk Show the Game Show" which puts comedians competing to see who is the best talk show guest, getting points for dropping celebrity names, and going on exotic vacations in tropical locations, and other talk show tropes. Hey! With Kate Berlant and Jon Early will blend stand up, clips, and conversation and will definitely be one of the shows you won't want to miss if you're heading out to San Francisco for the festival. And the Throwing Shade podcast with Erin Gibson and Bryan Safi is promising to be electric. "It's a popular podcast," Rae said, "but the casual folks are going to be blown away by what they're seeing and it will create fans. anyone who wasn't already, will walk away being a fan."

In addition to the comedy, Treasure Island Music Festival has an incredible music lineup slated for the two-day Fest with no overlapping sets during this memorable weekend in the San Francisco Bay. Saturday's music includes Deadmau5, FKA twigs, Big Grams, STS9, Run The Jewels, Gorgon City (Live), Hudson Mohawke and more. Music sets on Sunday include The National, Chvrches, The War On Drugs, Father John Misty, Panda Bear, Jose Gonzalez, Deerhunter, Drive Like Jehu, and more. For the full daily lineups, visit <http://treasureislandfestival.com>. TIMF will also host a variety of official night shows following the Festival each day and featuring an eclectic mix of nationally acclaimed and up-and-coming music acts.

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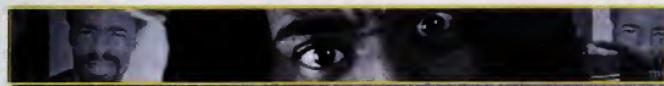
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## Imprisoned on Treasure Island

October 16, 2015

by Carol Harvey

*Liz Washington dedicates her story to Treasure Island mothers suffering Child Protective Services' human rights abuses.*

Liz Washington's Tenderloin apartment door rattled. Bursting in, hands on guns, San Francisco cops grabbed her nursing infant. Liz' daughter remembers her mom's screams. "Please don't take my baby!"

[Liz Washington](#)

Liz Washington

Protecting her kids from gangs, this young Chicago mother relocated to San Francisco.

Liz sought housing help at two nonprofits, who sent police to Liz' SRO. "You're homeless, and your kids aren't in school," they said.

Liz reported. "It's illegal to take kids away from their parents because they're homeless."

Nine-year-old Sandy, "super-excited" to be attending Rosa Parks, stepped into a black-and-white, "bawling my eyes out." I had new school supplies. "Why was I being taken from my family?"

Her brother Kenny, 11, "Kept us together."

At San Francisco General Hospital, a Foster Care Unit employee ordered, "Kiss your mom and send her on her way."

Bussing home, Liz sobbed. "I thought I was going to have a nervous breakdown."

Visitations were arranged at a CPS office, too public to nurse her son. This trauma, said Liz tearfully, "never goes away. We are not as closely bonded as a mother and child should be." She miscarried a boy.

"We were told by Child Protective Services we'd have to find a place to live." In summer 1999, through morning sickness, Liz frantically searched.

Treasure Island appeared on a San Francisco Housing Authority list. Season of Sharing provided funds. CPS arranged for Section 8.

On the bus, a Naval officer said. "'There's radiation on the island.'"

If she changed her mind, CPS wouldn't return her kids.

A month later, Kenny, Sandy and Chris came to the island.

Liz' youngest, Michael, was born Nov. 25, 2000 .

### **Soft-spoken mother**

Liz is an assertive, focused, calm security professional.

She works hard providing for her children, keeping them housed, fed and clothed, attending to their school and medical needs.

She built a close-knit, loving family, softening the trauma of her oldest son and daughter who witnessed SFPD forcibly separating their mother and baby brother.

Liz' kids enjoy group games, Monopoly and Uno. They reminisce about funny times.

Liz' family and friends consider her an exceptionally loving mother.

### **Stalked**

Even after moving to Treasure Island, Liz never escaped CPS' ravenous appetite for masterminding abductions of her daughter and sons.

A relentless worker visits the kids' home and school unannounced. She gathers information from school officials, hospital social workers and doctors.

"I'm here to take your kids."

In 2005, knocking startled Liz. The children's father knelt on the living room floor sorting laundry. The large African-American CPS worker knew he would recognize her. When he opened up, four burly cops barreled in, violating Fourth Amendment privacy laws.

Liz said they were grieving a family member's sudden death.

The worker scowled at the clothes. Court papers said, "Our house was messy," reported Liz.

Liz realized CPS' flimsy rationalizations camouflaged a child trafficking scheme, targeting her two youngest sons for foster care and adoption.

"Someone called CPS," the worker announced.

The officers wrestled Liz' children out the door, "screaming and crying."

The courts kept them for two years.

### **Institutional child abuse**

CPS workers deposited Liz' children with abusive foster parents in unsafe neighborhoods.

CPS placed Liz' daughter in Oakland in "a really weird neighborhood with a lot of gang-bangers." Sandy reported, "Can you believe (the foster mother) was dealing in drugs ... with some street gang? The white stuff in a plastic bag was not detergent or salt."

She was deposited in a house with girls "into sex trafficking."

### **Growing dread**

The Navy decommissioned Treasure Island in 1997. City officials offered low rents and subsidies, encouraging homeless, low and middle income San Franciscans to occupy the former Navy families' townhouses without mentioning the Navy left deadly chemicals, radioactive material, asbestos, mold and lead in island air, water and soil.

Liz' family began experiencing chronic fatigue, dizziness, headaches, nosebleeds, insomnia and anxiety attacks. These illnesses provided CPS workers a pretext for accusing Liz of making her children sick and removing them to foster care.

Observing her children's worsening shortness of breath and gastrointestinal pain, Liz' alarm and confusion grew.

Around 2009, the press covered the City's plans to redevelop the island. In 2010 and 2012, after investigative reporters alerted the California Department of Public Health, Navy environmental remediaters discovered more pollutants. Liz realized, "That's why my kids kept getting sick."

Child Protective Service and the court's wisest course is to place responsibility for Liz' family's respiratory problems and gastrointestinal illnesses where it belongs – onto the polluted water running through the broken, malfunctioning pipes that trade feces, chemicals, radiation and lead beneath Treasure Island's toxic soil, causing poisonous overflows that generate mold growth.

Liz blames her family's respiratory problems on breathing, touching or drinking radiation, chemicals and mold riding on dust blown in island winds and her two youngest sons' acute gastrointestinal disease on poisonous water gushing through kitchen and bathroom taps and showers.

### **Respiratory pandemic – moldy Treasure Island**

Liz's hand covered her phone. Through muffled chokes, she blurted, "I have bad coughing fits," continuing for three months.

Her doctor diagnosed acute bronchitis, curable with meds and an inhaler.

Liz and Sandra, her 25-year-old daughter, report all five family members endure the year 'round "TI cough" – chronic swollen lymph nodes, sinus congestion and infection, shortness of breath, wheezing, colds, throat irritation, runny noses with mucous, and coughing spells.

Kenny, a non-smoker, suffered hacking coughs, sounding like he would "cough up a lung," reported Sandy.

What caused it?

"Mold," said Sandy.

Four years ago, her youngest brother, Michael, was diagnosed with asthma.

Was being born on the island a factor? "This is a former Naval base. Who knows what they were doing here?" she sighed.

"Kids his age want to run around, ride bikes, play basketball. He shouldn't have to worry about whether he'll be out of breath."

She described her own coughing fits.

"When I'm in San Francisco, I feel good in general. Less tired. I can breathe better."

Except once.

"Me and mom were walking along Market to the check cashing place near that movie theater that druggies frequent. There was this weird smell – a cross between bad weed and a yucky chemical skunk kinda smell. I started coughing like crazy. It lasted a month or two. It was made worse by constant contact with chemicals, or, that really (moldy) air whenever the pipes act up."

### **Moldy island**

Some molds are not as benign as green fuzz on bread and cheese. Mold plays an important environmental role, obtaining nutrition from decaying plant material. However, that breakdown produces byproducts called mycotoxins, poisonous wastes dangerous to humans.

### **Mold-induced health problems**

Black mold can cause heart attacks and brain damage.

Many of the following serious toxic mold symptoms are exhibited by Liz Washington and her children, along with other Treasure Islanders who touch, ingest or breathe air filled with black mold spores or report monster mold invasions across exterior facades, interior ceilings and floors, and inside their walls: asthma, fatigue, sinus infections, dark urine, depression and anxiety, diarrhea, dizziness, headaches, long lasting flu-like symptoms, night sweats, nosebleeds, ringing in ears, sleep disorders and insomnia, spitting up mucous, swollen lymph nodes.

Sea level Bay moisture supercharges Treasure Island's black mold growth. Mold spores slip inside homes through windows, cracks and crevices or on shoes, clothing and pets. Black mold and asbestos clumps saturate insulation and envelop pipes inside homes the U.S. Navy constructed for families. Smoky fungus patches coat building facades.

### **Centers for Disease Control: Where mold grows**

"When mold spores drop on places where there is excessive moisture, such as where leakage may have occurred in roofs, pipes, walls, plant pots or where there has been flooding, they will grow. Wet cellulose materials, including paper and paper products, cardboard, ceiling tiles, wood and wood products ... dust, paints, wallpaper, insulation materials, drywall, carpet, fabric and upholstery commonly support mold growth."

### **Overflowing toilet**

Liz believes repeated mysterious toilet clogs and deluges through an upstairs bathroom vent provide the major moisture source for mold growth in her first floor kitchen and dining room. She counted at least 10 floods in the downstairs bathroom.

Flooding happens often enough for moisture levels to rise. Inevitably, black, fuzzy mold spots reappear in Liz' house.

Sandy reported yellow spots dotting the upstairs bathroom ceiling and Liz' and her two youngest sons' bedroom ceilings.

A mass of dark mold grew thick on wood in the wall space just inside a vent behind the front door.

Painting over mold is standard remediation for The John Stewart Co., the property managers. Mold regrows inside crawl spaces. Every Treasure Island home where management addresses mold infestation, the fungus returns with a vengeance.

### **Gastrointestinal disease**

One day in May 2013, the social worker phoned. "We're taking custody of Chris and Michael."

Liz caught her breath.

Liz' family endures intractable stomach and lower intestinal pain and constipation. Her sons suffer upper abdominal distress, nausea and vomiting. They experience colonic bleeding, cramping, diarrhea, chronic constipation and obstipation.

Liz thought their dad had accompanied Chris and Michael to school. Instead, he took them to San Francisco General Hospital.

Ordering admission for bowel dis-impaction, the doctor decided the father's request for a second opinion was refusal of treatment. Though Liz was absent, the CPS worker manipulated the District Court complaint, bundling her with the dad.

The boys were transferred to foster care in Oakland. Liz retrieved them two years later.

Despite a fast food diet, the boys' stomach aches and constipation dissipated.

### **Don't drink the water!**

They resumed drinking island water. Their gastrointestinal disease returned.

CPS and medical professionals blame Liz for her sons' constipation, setting traps signaling their health is low priority. Liz risks losing them if she drops prescribed Miralax, which also causes nausea, abdominal cramping, diarrhea and gas, for larger portions of fruits and vegetables.

Doctors can't name a cause, using the symptom "chronic constipation" for a diagnosis, refusing Liz' requests for tests.

Liz believes 15 years drinking polluted water from corroded 70-year-old island pipes resulted in her family's stomach aches, nausea and constipation and her sons' gastrointestinal diseases.

She expected island management to provide potable water. For low income mothers, bottled water is "pretty much a luxury."

### **Toxic stew**

Treasure Island's 76-year-old potable water and sewer pipes are rusty and cracked. They can easily trade fecal matter, old petroleum, dioxin, DDT, lead, old dry-cleaning fluid, PCBs and 26 kinds of radiation that the Navy's 56-year-old waste management program released into island soil. These virulent combinations are traded through pipe fissures in the connected network embedded in the 576.7-acre island dirt.

Liz and her neighbors report indelible brown rings in toilets. A deadly stew of brown water in kitchen and bathroom taps predicts pain and illness. A permanent rash broke out on one woman's back where she stood in gushing shower water.

On May 28 and 29, 2015, the ground trembled. Lennar's geotechnical engineers sank pulsating shafts 50 feet into fill near the Island Cove Market.

Soil, groundwater and mud stability tests were conducted for island redevelopment. Shaking dirt particles into a tight mass, then pounding down the dirt would prevent liquefaction and high rise collapse.

### Stinky drain

For 10 years, "Whenever a smell at a (nearby) park happens, our toilets back up really bad, and whenever the toilets back up really bad, there is that smell at the park," Liz said. The stink rises from sewer pipes and hangs for days over the park's northeast corner.

On flushing, Liz' three toilets' contents clog in the pipe and the bowl, flooding malodorous brown water onto floors. Bacteria-laden fluid seeps through ceilings and an upstairs bathroom vent into her kitchen and dining room. Dormant airborne spores sprout fuzzy mold on her dampened ceilings and walls.

Bad water and new mold growth trigger dormant respiratory and gastrointestinal problems. Coughing, stomach pains and constipation return with a vengeance.



This sinkhole appeared behind the Starburst Barracks on Treasure Island after the vibro-compaction on May 28-29, 2015. — Photo: Sandra Washington

On July 1, 2015, following vibro-compaction and boring, Liz reported brown water.

Liz and Sandy walked east down Avenue B from their townhouse to a park two blocks southeast to "a spot where the smell comes from."

Turning right along Ninth Street from the Starburst Barracks, east around a left turn in the path, there was the drain in a grassy depression.

We crossed Ninth Street east to the overflow lot beside the Starburst Barracks. At either end of a shallow 5-foot-long depression in the asphalt, two new sinkholes had combined.

Following the wooden fence east, toward the vibro-compaction site along a trail of wet earth over obviously leaking pipelines, we stopped half a block from the Island Cove Market. Between Job Corps and the Starburst Barracks sat a third drain in a circular indentation.

Two weeks after vibro-compaction, Sandy photographed a sink-hole next to this drain, encircled with yellow police tape. "Broken pipes," was spray painted in white beside the cavity. Maintenance concealed this previously documented sinkhole with asphalt.

### Blowout

Did Lennar's vibro-compaction tests pollute potable water?

Residents reported fractured pipelines, sinkholes, cave-ins and sewage upsurges traversing the entire island, east to west from the Island Cove Market past the Starburst Barracks, the Ninth Street park, Liz' Avenue B home, the old elementary school playground. Pipes malfunctioned. Smelly brown chocolate ooze exploded from faucets, toilets, shower heads and electrical outlets at Kathryn Lundgren's 1201-B Bayside Drive townhouse.

On Monday, July 12, Quinn Lundgren photographed men in a trench, replacing old terra cotta "lateral" pipes.

## CPS uses CAPTA to traffic in children

Liz' family was excited about attending the auto show. A woman appeared outside. Faces fell. The social worker!

Liz thought. "She'll refuse to leave." But, if she didn't let her in, the kids might be taken.

CPS judged and shamed a low-income mother, accusing her of medically neglecting her son's gastrointestinal diseases. Despite a litany of weak excuses for traumatic child thefts, Liz courageously kept her family together, raising independent, intelligent, peaceful offspring.

The most recent insult was the CPS worker's abrupt May 1, 2013, abduction of Liz' two youngest sons.

These acts were perpetrated under CAPTA, the Child Abuse Prevention and Treatment Act, federal legislation originally intended to address child abuse and neglect.

Rather than helping families, the legislation enables a national, state and county system of paid government agents to utilize the courts to rip kids away from parents and adopt children out to thieves and liars who profit financially from monthly foster care and adoption subsidy payments. One of these agents stood outside Liz Washington's door.

The court-supported CPS child-trafficking cartel's targets for foster care and ultimate adoption are people they consider vulnerable – largely Black, Brown, and White impoverished mothers who can't buy themselves out of these inhumane snarls.

Parents need family and friends to come to their aid with community letter-writing and fundraising to cover fees for private lawyers savvy in navigating CPS.

Workers watch their behavior and judges extend respect to families who arrive with paid attorneys.

## Kickbacks

The judge, the court appointed attorney, the CPS worker, her supervisor, foster parents and adoption agencies all make money. Adoptive parents pay big bucks for kids.

Liz fired her court-appointed lawyer for "not representing me. He was going along with anything the social worker said."

Liz verified "the government funds CPS (for) as many families as the state can get. I've noticed the spike on kids that get taken (at) the end of the fiscal year."

The supervisor moves federal money from the state into the county.

Her worker's supervisor, who Liz says is "not a nice woman," may tell the social worker to return to the home with police and grab the children.

Workers justify their supervisor's job by drawing federal funding into the county with more foster care placements.

Social workers receive a "roughly \$2,000 to \$5,000" bonus per adoption, testified Liz.

"They get a lot of money for babies, a decent amount for kids 4 to 6 years, but not so much for teenagers." They will lie in court papers.

Paid by the government to warehouse children, some foster parents hold hostages.

Mothers are encouraged to write the judge a "Statement of Objections and Corrections," rebutting the worker's lies, appending tapes, photos, other documentation. This information must be introduced before filing an appeal.

## On and on

A recent dismissal didn't end Liz' case. The courts' complicity with CPS inspires Liz' worst fear: CAPTA may become CAPTURE of her two youngest sons into the foster care and adoption mill.

*Carol Harvey is a San Francisco political journalist specializing in human rights and civil rights. She can be reached at [carolharveysf@yahoo.com](mailto:carolharveysf@yahoo.com).*

**From the San Francisco Business Times**

**:http://www.bizjournals.com/sanfrancisco/morning\_call/2015/10/treasure-island-music-festival-economy-wfc-heia-bf.html**

# How an old naval base turned into a \$15 million music festival

Oct 19, 2015, 7:13am PDT



**Roland Li**

Reporter- *San Francisco Business Times*

[Email](#) | [Twitter](#)

About eight years ago, Bay Area concert promoters Noise Pop Industries and Another Planet Entertainment were looking for a place to throw a music festival.

They found Treasure Island, the man-made island in the bay that was originally built for the World's Fair and formerly operated as a naval base. A park on the western side had a sweeping view of the Bay Bridge and San Francisco skyline, and enough space to accommodate thousands of fans.

"I remember walking onto the island and seeing the lawn, seeing the view of San Francisco and it was like, we have to make this happen," said [Bryan Duquette](#), a festival promoter with Another Planet Entertainment.

Since its 2007 kick-off, the Treasure Island Music Festival has grown from around 10,000 attendees to 18,000 this past weekend, contributing \$15 million of economic impact to the city and employing 300 people, said Duquette. This year, the two-day lineup included indie rock bands like the National, Chvrches and electronic acts like deadmau5.

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See more: [Noise Pop pops: Do415, Thrillcall push San Francisco events](#)

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Although it's dwarfed by August's [Outside Lands festival](#), which spans three days in San Francisco's Golden Gate Park and generates around \$80 million for the city, the festival has become an annual tradition in the Bay Area. (Another Planet Entertainment is also one of the promoters for Outside Lands.)

"We could fit more people in, but we really want to make sure the experience is good for people. We want to make sure it continues to feel intimate and not overly crowded," said

Jordan Kurland of Noise Pop Industries and Zeitgeist Artist Management.

Sponsors this year include Wells Fargo & Co. (NYSE: WFC), Heineken International (Euronext: HEIA) and Brown Forman Corp.'s (NYSE: BF) Jack Daniel's. In addition to music, the event featured a 60-foot ferris wheel, an interactive crafts station called Camp DIY and visual installations from the festival's partner ArtSpan and independent artists. This year, the festival added a new comedy tent run by the website Funny or Die.

"We always wanted the festival to be a reflection of not only indie or underground music. We want it to be a reflection of indie and underground culture," said Kurland.

One of the festival's biggest challenges is getting the crowd to the site. Treasure Island restricted parking on-site, so free shuttles run constantly from San Francisco's Civic Center. The apps Uber and Lyft have also helped, particularly for festival attendees from the East Bay.

"Immediately, we had to come up with an operational plan to bus everyone from the city over here," said Duquette.

The festival also draws visitors from areas like Southern California, Lake Tahoe and Reno, Nev., said Duquette.

Treasure Island Music Festival's long-term outlook is uncertain as the island changes. Developers Lennar Urban (NYSE: LEN) and Wilson Meany have an 8,000-unit housing plan in the works. The organizers are scouting out other sites but are hopeful to return again next year and beyond.

"It'd be nice to get to year 10 out here," said Kurland.

Roland Li covers real estate and economic development

## Sailing program expands for SF's fourth grade students



The Set Sail Learn program hosts field trips for fourth grade students, introducing them to sailing, science and math. (Eric Risberg/AP)  
By [Laura Dudnick](#) on October 19, 2015 1:02 am

San Francisco Unified School District's fourth grade students are literally sailing their way to the head of the class.

The Set Sail Learn program at Treasure Island Sailing Center has hosted dozens of field trips for fourth grade students in The City and now plans to expand thanks to a \$120,000 grant from the St. Francis Sailing Foundation provided this fall.

First launched as a pilot initiative in 2013, the program combines sailing with science and math, as well as exposes students to the San Francisco Bay for the first time.

Because of the grant, this school year 51 classes — more than double the 20 classes that participated two years ago — are expected to engage in the sailing field trips, which incorporate Science, Technology, Engineering and Math (STEM) education with sailing lessons.

"It's an eye opening trip for these kids," said Travis Lund, executive director of the Treasure Island Sailing Center. "It's a good first look for kids into a world they probably haven't seen before."

In fact, many of the students have never set foot on a sailboat, let alone crossed the Bay Bridge to travel from The City to Treasure Island, Lund noted.

The classroom lessons include Ecology of the Bay, Power of the Wind and Maritime Math & History along with on-the-water sailing lessons in RS Venture boats. The curriculum is tailored to align with STEM material.

"Sailing is the art of making a boat go by harnessing the power of the wind," said Carolyn Patrick, president of the St. Francis Sailing Foundation. "There's all kinds of aspects of that that teach science and math."

She added, "When [students] go out on the boats and in the classroom, they're also learning about the dynamics of the Bay, marine life that lives in the Bay, how to protect the Bay. It just becomes a springboard for teaching all kinds of STEM lessons."

Leonard R. Flynn Elementary School fourth grade teacher Joi Jackson said in a statement that her students said the field trip helped her students experience the Bay in a way they had never before.

"Set Sail Learn engages the different learning modalities of the kids, visual, kinetic, song, dance and sailing," Jackson said. "I saw this program touch every part of each of my children."

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## Grade School With Sailing

PUBLISHED ON OCTOBER 20, 2015

Thousands of city fourth graders are enjoying a new twist on science and math lessons while learning basic principles of sailing as part of Set Sail Learn, an engaging classroom experience on San Francisco Bay made possible by a significant grant from the St. Francis Sailing Foundation.

Children from 28 public schools in San Francisco are learning Science, Technology, Engineering and Math (STEM) both on the water through sailing as well as in a hands-on classroom at the Treasure Island Sailing Center (TISC). For some of the children, this engaging environment is their first encounter with the city's greatest natural resource, San Francisco Bay.

"Set Sail Learn is an innovative initiative engaging fourth graders to learn about all things related to San Francisco Bay as well as the basic principles of sailing," said Carolyn Patrick, President of the St. Francis Sailing Foundation.

"This is an investment in the future of our city's children," Patrick continued. "Many of the city's school children are being exposed to the Bay for the first time, opening doors to learning in a stimulating, natural and fun environment. St. Francis Sailing Foundation is proud to partner with Treasure Island Sailing Center to make this program possible."

"Access to the Bay provides an exciting way to learn STEM principles," said Carisa Harris-Adamson,

Chair of TISC Board of Directors, the non-profit community sailing center that developed Set Sail Learn. "Thanks to the vision of St. Francis Sailing Foundation, we now have the necessary funding to provide innovative school lessons while also introducing many of the children to sailing for the first time."

"Children who show interest in the sport from this introduction can continue sailing in our after school or summer programs, which offer scholarships to thousands of children each year."

"Set Sail Learn engages the different learning modalities of the kids, visual, kinetic, song, dance and sailing," said fourth grade teacher Joi Jackson of the San Francisco Unified School District. "I saw this program touch every part of each of my children. Thank you so much for allowing my native San Franciscans to really experience the Bay."

The significant grant from the St. Francis Sailing Foundation launches the education initiative as a permanent offering to the city's fourth graders after a successful pilot program last year.

Set Sail Learn runs Monday-Thursday from 9am-1:00pm at the Treasure Island Sailing Center. Twenty-four classes are participating in the first half of the school year. A typical day consists of classroom learning on topics such as Ecology of the Bay, Power of the Wind or Maritime Math & History followed by an on-the-water sailing session in RS Venture boats.

The city helped identify seed funding for a pilot program in Fall, 2013. Thanks to a significant grant from the St. Francis Sailing Foundation, TISC in partnership with San Francisco Public Schools is offering Set Sail Learn as fourth grade curriculum.

#### **St. Francis Sailing Foundation**

The St. Francis Sailing Foundation (StFSF) is a 501(c)(3) charitable organization with the general mission to raise and grant money to deserving sailors and organizations that promote sailing, racing competition and maritime education.

StFSF supports organizations that put thousands of underserved youth and disabled sailors on the water in enrichment programs that teach sailing, life lessons, and science utilizing sailing. Set Sail Learn is the largest program ever sponsored by StFSF.

StFSF also promotes competitive sailing and US Olympic Sailing Team development, with support of serious Olympic athletes, beginning Olympic hopefuls, and junior sailors.

#### **Treasure Island Sailing Center**

A non-profit 501c3 organization, Treasure Island Sailing Center's mission is to improve our community and the sport of sailing by providing access, facilities, and sailing instruction, STEM education and life skills development to people of all socioeconomic backgrounds, skill levels, and physical abilities. TISC, a yearround sailing school and education center on the San Francisco Bay, has no membership requirements and emphasizes full community involvement by offering unlimited scholarships to those in financial need. TISC never turns a child or adult away. Over our fifteen-year history, TISC has engaged over 13,000 participants in the joy of sailing and provided over 70% of our students with full scholarships over the years, including 90% last year.

*Report by Jane Eagleton.*

Tags: [education](#), [Keeping it real](#), [San Francisco](#)



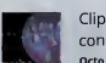
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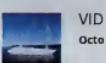
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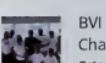
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## SFFD Treasure Island training facility could be rescued



San Francisco firefighters run through rescue operations at the fire department's Treasure Island Training Center, which is in danger of being lost by 2024 to development on the island. (Courtesy San Francisco Fire Department)

By [Michael Barba](#) on October 23, 2015 1:00 am

The San Francisco Fire Department's training facility on Treasure Island is living on borrowed time — but it could be spared by the developers responsible for transforming the island into homes, hotels and retail and office spaces.

The Treasure Island Training Center is slated to be replaced with parkland by 2024, when development on the island is scheduled for completion.

That's unless developers Lennar Corporation, Kenwood Investments and Wilson Meany alter their long-standing plans with The City's Treasure Island Development Authority by including the fire training facility.

Robert Beck, head of the Treasure Island Development Authority, said at the Fire Commission on Wednesday the city agency is "open to exploring" the idea of keeping a training center on the island. David Satterfield, a representative of the developers, said they had not yet heard about the matter and declined to comment Thursday.

The Treasure Island facility is unique with structures that set aflame without burning to the ground. It's also used by agencies across the Bay Area. However, the Fire Department has long known of its need for a new facility, since the last major renovation was 25 years ago.

"I don't think we can afford to lose a training facility as valuable as the one we have," Fire Commission President Andrea Evans said.

The Fire Commission was reviewing its options Wednesday because of a Civil Grand Jury inquiry into the department which began in July. That inquiry reminded officials the Treasure Island facility would be closed and urged the department to find a solution.

"Time is of the essence, something has to be done," said Commissioner Francee Covington. "Our plight is dire and we need immediate attention."

If the training facility were allowed to stay on Treasure Island, it would need upgrades to include Emergency Medical Services training and would replace the fire department's other training center in the Mission, said Deputy Chief Ken Lombardi.

"There's nobody at City Hall that doesn't know that this is a need," Lombardi told fire commissioners.

A new training center has been on The City's Capital Budget, first as an emerging project and then deferred, since 2006. "It's been there for 10 years and now we have a \$132 million price tag on it," he said.

But changes to the planned redevelopment at Treasure Island, in the works since 1994 and already through its environmental review process without anticipating a training facility on the island, would be an "uphill battle," Lombardi said.

"All of these reports and tests were done already assuming there would be no training facility," Lombardi said. "We were never part of this plan." Even with the consent of developers, the environmental and other extensive reviews would have to be modified to include the facility, Lombardi said.

The Fire Department thus far has voiced few options other than to stay on Treasure Island. While replacing or upgrading the facility on the island seemed the most feasible option for commissioners Wednesday, the 8-acre facility could be moved to The City or Bay Area.

"There's 300 acres [of parklands on Treasure Island] which is hard to find in San Francisco," Lombardi said, noting the state of The City's real estate market. "Even if we had the money to move to San Francisco I don't think it's going to be that easy — there's not that many eight-acre sites in San Francisco."

Lombardi said there are some sites in The City's southeast that could fit the bill.

On top of the space issue, and \$132 million funding considerations for a state-of-the-art facility, there's also the fact that vegetable smoke billows out of the facility from propane tanks on the regular. The propane would be unsafe for use in densely packed areas, officials said.

Covington said she was discouraged by the overall situation.

"We are very late to the party," she said of the Treasure Island redevelopment plans. "They have the party hats on and the confetti's coming out, and we're not there."

**SFGATE**<http://www.sfgate.com/crime/article/S-F-police-investigate-officer-involved-shooting-6588356.php>

# Suspect in police car theft arrested on Treasure Island

By Joaquin Palomino Updated 4:59 pm, Saturday, October 24, 2015



**Julie Neward**  
[@yah\\_neward](https://twitter.com/yah_neward)

So proud of our #SFPD and #CHP for their quick action at #Treasure Island just now. Thank you for keeping us safe!

9:24 AM - 24 Oct 2015

7 6



**jermz FTW!**  
[@jermzftw](https://twitter.com/jermzftw)

SFPD blocking off the whole bay bridge with assault rifles pulled out. #Sf #sfpd

9:35 AM - 24 Oct 2015

16 11

A man sought by police allegedly stole a San Francisco police car in the Marina district Saturday morning, leading officers on a long chase throughout the city that ended with shots being fired on Treasure Island.

While police chases are somewhat common, ones involving stolen police cars are not.

"Throughout my career it has happened maybe once before, and I have been in law enforcement for 27 years now," Deputy Chief **Hector Sainez** said at a news conference Saturday afternoon.

The incident began at 8:15 a.m., when San Francisco police responded to reports of a man with a knife at Chestnut and Lyon streets. But when an officer approached the suspect, whose identity has not been released, the man reportedly jumped into the police car, used the keys still in the vehicle's ignition, and took off.

While trying to prevent the theft, an officer sustained non-life-threatening injuries and was taken to San Francisco General Hospital for treatment, police said in a statement.

## Chase to island

The stolen police vehicle was later located traveling on city streets, and a car chase ensued with the driver reportedly banging into cars in Glen Park and other neighborhoods before getting on the freeway and heading for Treasure Island.

Police set up a barricade at the main gate of the island just after 9 a.m., but the man drove around it, which is when two officers fired several shots at the vehicle, police said. None of the shots hit the man.



IMAGE 7 OF 10

[BUY PHOT](#)

Westbound traffic on Interstate 80 inches towards the Bay Bridge and MacArthur Maze at Ashby Avenue in Berkeley, Calif. on Saturday, Oct. 24, 2015, after an officer-involved shooting and follow-up investigation ... [more](#)

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Jeff Peters, 45, happened to be on Treasure Island taking photos of San Francisco's skyline Saturday morning when he heard a chorus of sirens coming toward him. There were also handfuls of people at a nearby bus stop, Peters said, and he was surprised none was injured by the stolen vehicle or the gunshots.

"I was definitely worried about their safety," he said. "If I was in their place, I would have been scared."

## Jump to lower deck

While the man tried to escape the island and head back toward the city, he slammed into car at the westbound entrance of the Bay Bridge, police said. He abandoned the stolen police car and jumped to the lower deck — a fall of 30 to 40 feet — where he reportedly tried to carjack another vehicle before he was arrested. The man remains in custody, police said.

The incident shut down the western freeway entrances and exits to Treasure Island, clogging up traffic on the Bay Bridge from Oakland to San Francisco. The stolen and abandoned police sport utility vehicle remained at the exit ramp throughout the day.

The incident is being investigated by SFPD Homicide Division, SFPD Internal Affairs Division, the district attorney's office, and the **Office of Citizen Complaints**, police said.

*Joaquin Palomino is a San Francisco Chronicle staff writer. E-mail: [jpalomino@sfchronicle.com](mailto:jpalomino@sfchronicle.com) Twitter: @JoaquinPalomino*

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## VIEW COMMENTS

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## Elton John and Beck Headline Oracle Appreciation Party on Treasure Island

By Tamara Palmer

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Sir Elton John and his band, during his performance at Royal Theatre in Madrid, Spain, Monday, July 20, 2015. (AP Photo/Abraham Cebro Marin)

The Oracle OpenWorld traffic that has been snarling San Francisco this week might extend to Treasure Island on Wednesday evening.

Elton John and Beck are headlining a private outdoor concert on Treasure Island beginning at 6 p.m. for registered Oracle OpenWorld attendees.

- [Bay Area Halloween Events Guide](#)

The so-named Oracle Appreciation Event is part of the full conference registration package, which costs \$2,650.

The Oracle Appreciation Event typically draws big names in music; last year's event featured a live performance by Aerosmith.

- [UPDATED] [Murder Suspect Tries to Turn Himself In, Turned Away Instead](#)

John announced recently that he plans to release his 33rd studio album "Wonderful Crazy Night" in February.

### TRENDING STORIES

1 [Bay Area Halloween Events Guide](#)

2  [Near Death of Foster Child Sheds Light on Flawed System](#)

3  [12 Hospitalized Due to Suspicious Odor at Palo Alto Hotel](#)

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## Chronicle Watch: Cyclists spin wheels at Bay Bridge bike path wait

By Michael Cabanatuan | November 2, 2015 | Updated: November 2, 2015 7:33am

3



Photo: Carlos Avila Gonzalez, The Chronicle

Gates and signs show the end of the bicycle pedestrian path on the Bay Bridge in Oakland.

Ever since the Bay Bridge's bike path opened two years ago, a few days after the first cars crossed the new east span, bicyclists have been waiting, mostly patiently, to pedal to Yerba Buena and Treasure islands.

Instead, they've had to halt at a white metal railing placed across the path just past the bridge's tower, turn their bikes around and ride back to Oakland — even though Yerba Buena Island sits a tantalizing 568 yards away.

Though Caltrans officials' latest promise was to open the bike path by the end of the year, it looks like cyclists will have to hit the brakes again, at least for a couple more months. And, once they make it to land, they'll have to navigate a somewhat hazardous temporary route to Treasure Island.

As for pedaling all the way to downtown San Francisco? That's likely to take many more years. Feasibility studies are under way, but no plan exists yet, and funding is even more uncertain.

Caltrans has not yet publicly announced the bike path's latest delay — which is at least the third. Agency spokeswoman Leah Robinson-Leach said issues with the design, manufacture and shipping of the steel deck pieces for the path have slowed work. And Caltrans officials are also counting on El Niño to deliver rain delays.

"The bike path is expected to open in early 2016," she said by e-mail.

#### MORE CHRONICLE WATCH



Wi-Fi remains hit or miss on Bay Area transit



Sunset residents frustrated by recurring sinkhole



Tipsters hang water wasters out to dry

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9:19 AM  
Chickens and nails spill as rain wreaks havoc on Bay Area roads



8:32 AM  
Man killed after darting into traffic on I-880 in Milpitas



7:33 AM  
Chronicle Watch:  
Cyclists spin wheels at Bay Bridge bike path...

### Bicyclists hanging on

Andy Roth of Berkeley looks out over the demolition of the old Bay Bridge from the bicycle pedestrian path in Oakland.

But the San Francisco County Transportation Authority, which will guide the bicyclists once they land on the island, now predicts a summer 2016 opening.

While the current, unfinished path is popular among bike riders and pedestrians who enjoy the expansive views — especially on weekends — it's also become known as "the world's longest bike pier" and "the bike path to nowhere."

Cyclists weren't happy to hear about the delays, but many are more resigned than angered.

"It would be great to be able to bike to San Francisco, or even Treasure Island," said Thomas Denesha, who works at BART's 19th Street bike station in downtown Oakland. "We've been waiting for a while."



Photo: Carlos Avila Gonzalez, The Chronicle

Eugene Lai rides his bicycle down the pedestrian and bicycle path of the Bay Bridge.

### Opening postponed

When bicycling advocates persuaded Caltrans in 1999 to put a bike path on the new span — a decision pooh-poohed by critics who said nobody would want to pedal across a bridge — the idea was to open it at the same time as the bridge itself.

That remained the plan until 2012, when Caltrans announced it couldn't open the path for two years because an abutment from the old, ~~old and soon stand in the way and would need to be demolished. Then, this year, Caltrans said delays in demolition work~~



9:19 AM  
Chickens and nails spill as rain wreaks havoc on Bay Area roads



8:32 AM  
Man killed after darting into traffic on I-880 in Milpitas



7:33 AM  
Chronicle Watch:  
Cyclists spin wheels at Bay Bridge bike path...

The long-term plan is for a bike lane, part of it separated from traffic, to be built on the island's Macalla Road, which provides a direct, if steep, route to Treasure Island.

But because contractors are building new on-ramps and off-ramps to Treasure Island in that area, bike riders will be detoured to a temporary route along Hillcrest Road and Treasure Island Road.



Photo: Carlos Avila Gonzalez, The Chronicle

Bicycles make their way up the Bicycle Pedestrian Path on the Bay Bridge.

#### Too close for comfort

The narrower route, said Renee Rivera, executive director of the advocacy group Bike East Bay, will force cyclists to ride alongside drivers zipping down the existing off-ramp from the bridge toward Treasure Island.

She had believed the temporary route would be in use for just a couple of months, but Eric Young, a spokesman for the Transportation Authority, said it will be closer to two years.

He said the authority is working with the San Francisco Municipal Transportation Agency to come up with a plan to make the temporary bike route as safe as possible.

As for the ultimate connection — from the islands to San Francisco — the path ahead is unknown. A consultant, hired by the regional Metropolitan Transportation Commission late last year, is looking for affordable ways to add a bike lane to the 2-mile



8:19 AM  
Chickens and nails spill as rain wreaks havoc on Bay Area roads



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Man killed after darting into traffic on I-680 in Milpitas



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Chronicle Watch:  
Cyclists spin wheels at Bay Bridge bike path...













**AGENDA ITEM 6b**  
**Treasure Island Development Authority**  
**City and County of San Francisco**  
**Meeting of November 18, 2015**

**Subject:** Resolution Approving Fiscal Year 2015/16 Minimum Monthly Rental Rate Schedule.

**Contact:** Richard A. Rovetti, Deputy Director of Real Estate

**Phone:** 415-274-3365

**BACKGROUND**

During the interim period preceding transfer of the real property from , the United States of America, acting by and through the Department of Navy (“Navy”) to the Treasure Island Development Authority (the “Authority”), the Authority earns operating revenue by subleasing property leased from the US Navy. On July 11, 2007, the Authority Board of Directors (Resolution No. 07-54-07/11) delegated authority to the Treasure Island Director to approve and execute subleases on behalf of the Authority, provided that the terms of said subleases met certain parameters as found in the Authority’s Interim Subleasing Policy. Contained within the delegated authority is a schedule of minimum monthly rental rates for subleases which can be executed by the Treasure Island Director without Authority Board review and approval.

On May 29, 2015, the Navy transferred all of its property on Yerba Buena Island and portions of Treasure Island to the Authority. Consequently, the Authority and the Office of the City Attorney have developed a new “lease” template representing the Authority as landlord to be used for tenants within these transferred property areas. The terms sublease, lease, and use permit (hereafter referred to as the “lease”) shall refer to the lease for properties listed on the Minimum Monthly Rental Rate Schedule. Such delegated authority can only be executed under the following criteria.

1. The lease is for a use that is consistent with the permitted use under the applicable Master Lease or License Agreement between the US Navy and the Authority;
2. The lease is for space included in the current Minimum Monthly Rental Rate Schedule adopted by the Authority Board, and the lease rent conforms to the Minimum Monthly Rental Rate Schedule and the applicable Administrative Code provisions;
3. The subtenant or tenant executes the Authority’s standard form sublease, lease or use permit with no alterations except for minor changes approved by the City Attorney or changes in insurance approved by the City Risk Manager.

4. The lease term does not exceed month-to-month and is no greater than the term provided the Authority in its Master Lease or License Agreement with the Navy, however, the term may extend up to three (3) years for properties previously transferred to the Authority by the Navy;
5. The lease may include up to 30 days of Early Entry for tenant improvements prior to the commencement of the term; and
6. The lease includes a Security Deposit that equals to at least two times of the monthly Base Rent. The Security Deposit for lease renewals shall be at least two times the initial monthly base rent. However, in certain situations and at the discretion of the Treasure Island Director, Security Deposit for exterior land may be waived when leased in conjunction with interior space.

The Authority's Interim Leasing Policy describes how all renewals shall be conducted utilizing a standardized leasing procedure with the objective of ensuring transparency in the terms and conditions of all transactions and agreements with third parties, and the resulting outcome being that of a streamlined leasing procedure. The Interim leasing Policy provides for a periodic update of the Minimum Monthly Rental Rate Schedule. The Authority Board last updated its Minimum Monthly Rental Rate Schedule on September 10, 2014 for FY 2014/2015. The Minimum Monthly Rental Rate Schedule sets the minimum lease rental rates per square foot by type of use and facility.

During the past 12 months, demand for space on Treasure Island has remained high relative to the balance of San Francisco. Recent leasing activity has lowered the Authority's inventory of available warehouse, industrial and office space.

Project Staff has reviewed the initial appraisal report prepared by Carneghi-Blum & Partners, Inc., as well as available commercial data including comparables of property similarly situated to that of Treasure Island, and has evaluated Authority transactions over the past year. Additionally, taking into consideration (1) the Authority's general inability to offer lease terms greater than month-to-month with an annual expiration date of November 30<sup>th</sup> 2016; (2) the age and condition of the properties; and (3) the imminent commencement of the Development Project, the data analysis confirms that the Authority's rate structure is appropriate and in line with current market conditions. Therefore, the proposed Minimum Monthly Rental Rate Schedule shall remain unchanged at this time. Moreover, Authority staff continues to have the ability to negotiate higher rates than those found in the Minimum Monthly Rental Rate Schedule.

#### **RENEWALS OF EXISTING LEASES**

The Interim leasing Policy allows for renewals of existing leases at rental rates adjusted between 2% and 5% based on local market conditions. Project Staff recommends negotiating between a 2% and 5% rent increase for renewals of existing leases, conversion of subleases to leases, and permits scheduled to expire on November 30, 2015. The Minimum Monthly Rental Rate Schedule includes a list of existing subleases that the Authority Board previously approved due

to the fact that these subleases were at rental rates below those previously adopted or on terms and conditions that are not consistent with the parameters in the Interim Leasing Policy.

Authority staff proposes to enter into an amendment to sublease, new sublease, or new lease agreement with each of the existing subtenants, including the subtenants listed on the Minimum Monthly Rental Rate Schedule, on a month to month basis through November 30, 2015, or a lease with longer term, at a rental rate of no less than the current rent payable under each lease increased by a minimum of 2%, with a Security Deposit as required above.

#### **RECOMMENDATION**

Project Staff recommends that the Authority Board approve the proposed amended Minimum Monthly Rental Rate Schedule attached hereto as Exhibit A. Upon adoption of this amended Minimum Monthly Rental Rate Schedule, the Treasure Island Director will be authorized to enter into subleases, leases, permits and extensions of existing subleases and permits without specific Treasure Island Development Authority Board approval of each sublease, lease permit or extension, provided that: (i) the sublease, lease, permit or extension conforms to all the approved leasing parameters; and (ii) if the extension is for an existing sublease or permit, the term of the month to month extension will expire on November 30, 2016, the rental rate is no less than the current rent payable by such subtenant increased by a minimum of 2%, and the extension is otherwise on all of the terms and conditions of the existing sublease or permit. Project Staff would not be authorized to enter into subleases, leases, permits or extensions of existing subleases or permits at rental rates below those adopted or on terms and conditions that are not consistent with the parameters in the Interim Leasing Policy without specific authorization from the Treasure Island Development Authority Board of Directors.

#### **EXHIBIT:**

EXHIBIT A – Amended Minimum Monthly Rental Rate Schedule

EXHIBIT B – Interim Subleasing/leasing Policy

EXHIBIT C– New Lease Template

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate  
For: Robert P. Beck, Treasure Island Director



**Exhibit A**  
**FY 2015/16 Minimum Monthly Rental Rate Schedule**

<b>Building No.</b>	<b>Name</b>	<b>Highest and Best Use</b>	<b>Minimum Rental Rate psf</b>
1	Administrative Building	Office	\$0.75
2	Hangar 2	Industrial	\$0.15
3	Hangar 3	Industrial	\$0.10
29	Building 29	Industrial	\$0.10
33	Former TI School	Office / Commercial	\$0.25
34	Commissary	Industrial	\$0.25
41	Building 41	Office / Storage	\$0.25
62	Building 62	Industrial	\$0.41
69	Shed	Industrial	\$0.20
83 YBI	Garage	Industrial	\$0.25
140	Nimitz Conference Center	Office / Commercial	\$0.25
141	Building 141	Industrial	\$0.25
146	Gatehouse	Retail	\$1.25
157	Firehouse	Industrial	\$0.25
180	Building 180	Industrial	\$0.25
183	Café	Retail	\$1.25
187	Chapel	Office / Commercial	\$0.50
201	Navy Exchange	Industrial	\$0.20
202	Coin Laundry/Credit Union	Industrial	\$0.10
205 YBI	Garage	Industrial	\$0.25
215	Building 215	Industrial	\$0.10
216	RV Storage	Industrial	\$0.10
225	DPW Hobby Shop	Industrial	\$0.25
229	Club House (Life Learning)	Office / Assembly	\$0.50
229 YBI	Tower	Office	\$0.10
230 YBI	Garage & Guest Quarters	Office / Commercial	\$0.25
258	Post Office	Industrial	\$0.05
261	Bowling Alley	Recreation / Industrial	\$0.05
264	PUC Shop	Industrial	\$0.25
265	Library	Office / Commercial	\$0.50
292	Warehouse	Industrial	\$0.10
298	Yacht Club	Office / Assembly	\$0.50
330	Gas Station	Industrial	\$0.05
335	Shed	Industrial	\$0.25
346	Building 346	Industrial	\$0.25
384	Building 384	Industrial	\$0.25
401	Theater	Office / Commercial	\$0.05

<b>Building No.</b>	<b>Name</b>	<b>Highest and Best Use</b>	<b>Minimum Rental Rate psf</b>
421	Firehouse shed	Industrial	\$0.25
448	Building 448	Industrial	\$0.25
449	Building 449	Commercial	\$0.50
454	Building 454	Industrial	\$0.25
501	Building 501	Industrial	\$0.25
520	Building 520	Industrial	\$0.25
530	Building 530	Industrial	\$0.25
670	Brig	Industrial	\$0.25
671	Carpentry Shop	Industrial	\$0.35
Quarters 1	Nimitz House	Office / Residential	\$0.25
Quarters 2	Historic Residence	Office / Residential	\$0.25
Quarters 3	Historic Residence	Office / Residential	\$0.25
Quarters 4	Historic Residence	Office / Residential	\$0.25
Quarters 5	Historic Residence	Office / Residential	\$0.25
Quarters 6	Historic Residence	Office / Residential	\$0.25
Quarters 7	Historic Residence	Office / Residential	\$0.25
Quarters 62	Residence	Office / Commercial	\$0.25
Paved Land/ Pier space			\$0.10
Unpaved Land			\$0.05

**Existing Subleases / Use Permits Previously Approved by  
Authority Board of Directors**

<b>Sublease / Permit No.</b>	<b>Subtenant / Permittee</b>	<b>Use</b>	<b>Resolution No.</b>
P-100	New Cingular Wireless PCS, LLC	Cell	09-43-07/08
P-133	T-Mobile West Corporation, Inc., a Delaware corporation	Cell	10-08-03/10
P-456	Indigo Films Entertainment Group	Filming	11-40-06/22
11	SFPD Behavioral Sciences Unit	Office Counseling	08-14-04/09
15	New Cingular Wireless PCS, LLC	Cell Site	08-17-04/09
18	SFPD Motorcycle Solo Unit	Office Training	08-15-04/09
<b>Sublease / Permit No.</b>	<b>Subtenant / Permittee</b>	<b>Use</b>	<b>Resolution No.</b>
148	T-Mobile West Corporation, Inc., a Delaware corporation	Cell	10-43-10/03
346	Treasure Island Homeless Development Initiative	Office	08-46-09/18
351	WILLIAM COLLISTER AND GERRID JOY, individuals	Shed	10-24-05/12
353	Island Creative	shed	09-06-01/14
361	The San Francisco Fog Rugby Club, Inc.	Athletic Clubhouse	08-32-06/11
365	Treasure Island Sailing Center Foundation	Sailing Center	08-48-09/18
369	Bay Ship and Yacht Co., a California corporation	Pier	09-66-11/18
374	Treasure Island Yacht Club	clubhouse	08-59-10/22
380	Wine Valley Catering (café)	Cafe	09-15-02/11
392	Treasure Island Homeless Development Initiative	Land	08-47-09/18
394	San Francisco Gaelic Athletic Association	Athletic Field	08-05-02/13
404	San Francisco Gaelic Athletic Association	Athletic Field	08-65-10/22
410	San Francisco Little League, Inc.	Athletic Field	08-39-07/09
411	San Francisco Little League, Inc.	Athletic Field	08-40-07/09
412	San Francisco Gaelic Athletic Association	Athletic Clubhouse	09-22-05/13
421	SFGG Rugby Foundation, Inc	Athletic Field	09-03-01/14
455	Catholic Charities CYO	Childcare	11-37-06/22
697	Life Learning Academy	Charter School	13-19-06/12
809	TIHDI, Toolworks, and Solrouge ("the Collaborative")	Events	14-11-03/12



**Exhibit B**  
**TREASURE ISLAND DEVELOPMENT AUTHORITY**  
**INTERIM SUBLEASING/LEASING POLICY**

During the interim period preceding transfer of the real property from the US Navy to the Treasure Island Development Authority (the “Authority”), the Authority earns operating revenue to support the policy goals and objectives of the City and the Authority by subleasing property leased or licensed from the US Navy. The purpose of the Authority's Interim Subleasing Policy is to establish the rules and procedures for subleasing real property during the interim period.

**I. POLICY STATEMENT**

All subleasing, Leasing and sublease renewals shall be conducted utilizing a standardized procedure with the objective of ensuring transparency in the terms and conditions of all transactions and agreements with third parties, and the resulting outcome being that of streamlined leasing procedures. The terms sublease, lease, and use permit (hereafter referred to as the “lease”) shall refer to the lease for properties listed on the Minimum Monthly Rental Rate Schedule. Use permits are used for those properties on the Minimum Monthly Rental Rate Schedule that are subject to a Navy License Agreement instead of a Navy Master Lease.

**Standardization** – To competitively position the Authority’s commercial properties, the sublease/lease process requires the use of standardized form leases, business terms and parameters. Parameters shall be reviewed and approved by the Authority from time to time for use by Project Staff. Exceptions to utilization of standardized forms and parameters shall be approved by the Authority in its sole and absolute discretion.

**Marketing** – Marketing shall be conducted in a public, open and transparent method that is intended to maximize exposure of the properties. Such marketing shall include notifications of available space in the Treasure Island Development Authority website as well as commercial websites, such as Co-Star and paid advertisements in print media as necessary to reach the commercial markets

**II. SUBLEASE/LEASE BUSINESS TERMS AND ALLOWANCES**

- A. **Standard Form Sublease or Lease.** The subtenant or tenant will sign a standard form sublease, lease or use permit with no changes except minor changes approved by the City Attorney or changes to the insurance requirements approved by the City’s Risk Manager. Any changes to the sublease, lease or use permit which significantly alter the potential liabilities or the responsibilities of the Authority will require Authority approval.
- B. **Business Terms and Parameters.** The Business Terms of the sublease shall fall within the following general parameters:
  - 1) **Uses.** Uses of subleased properties shall be consistent with uses prescribed by the US Navy and uses assigned by the Authority; or, in the case of a multiple tenant property, shall be similar to and/or compatible with the other uses in the

property. Uses of leased properties shall be consistent with uses assigned by the Authority; or, in the case of a multiple tenant property, shall be similar to and/or compatible with the other uses in the property.

- 2) **Term.** The lease term does not exceed month-to-month and is no greater than the term provided the Authority in its Master Lease or License Agreement with the Navy, however, the term may extend up to three (3) years for properties previously transferred to the Authority by the Navy.
- 3) **Terms and Conditions.** The basic legal terms and conditions are incorporated into the terms of a boilerplate sublease, lease or use permit approved by the City Attorney. Exceptions to the boilerplate terms and conditions will be approved by the City Attorney. Subleases, leases and use permits and amendments to subleases and use permits that are not signed "as to form" by the City Attorney are invalid and not binding against the Authority.
- 4) **Risk Management.** The Risk Manager for the City and County of San Francisco established all insurance requirements for all subleases, leases and use permits. Exceptions to the standard insurance requirements shall be provided only by the Risk Manager and shall be in writing.
- 5) **Annual Rate Adjustments.** Each year, rental rates for current subtenants are adjusted between 2% and 5% based on the change in the local Consumer Price Index, as well as general and local market conditions.
- 6) **Minimum Rents.** The sublease, lease or use permit provides for **minimum rents** that are no lower than the rate for space of the category subleased or leases, as shown on the **Minimum Rental Rate Schedule** adopted periodically by the Authority.
- 7) **Security Deposit.** The lease includes a Security Deposit that equals to at least two times of the monthly Base Rent. The Security Deposit for lease renewals shall be at least two times the initial monthly base rent. However, in certain situations and at the discretion of the Treasure Island Director, Security Deposit for exterior land may be waived when leased in conjunction with interior space.

**C. The sublease or lease may include Allowances.**

- 1) **Early Entry.** The subtenant or tenant may take early occupancy, up to a maximum of 30 days, to make improvements to the property to prepare it for occupancy.
- 2) **Rent Credit.** Rent Credits may be allowed to make improvements to the premises. The value of Rent Credits cannot exceed 50% of Year One base

rent. Rent Credits may be used to offset no more than 50% of the subtenant's or tenant's base rent for any month.

- 3) **Paint and Carpet Allowance.** The quoted rate for full service office space assumes move-in space with good paint and carpeting. In the event a subtenant or tenant takes office space that does not meet the standard, the subtenant or tenant may be provided an allowance for paint and carpet up to a maximum of \$2.00 per square foot to make these cosmetic improvements to the premises.
- 4) **Limitations to Rent Credit and Paint and Carpet Allowance(s).** Either Rent Credit or Paint and Carpet Allowance(s) may be used to reduce monthly base rent for a period that shall not exceed twelve months. In no event shall credits or allowances be used to reduce monthly base rent by an amount greater than 50% of the monthly base rent for the month. Allowances may be provided as a condition of a renewal.
- 5) **Certification of Rent Credits and Paint and Carpet Allowance(s).** Plans and descriptions of work and materials that may be eligible for Rent Credit or Paint and Carpet Allowance(s) and the maximum potential value of Rent Credit or Paint and Carpet Allowance(s) must be agreed upon and made a part of the terms of the sublease or lease. Rent Credit and Paint and Carpet Allowance(s) will only become available after invoices for materials purchased and work performed have been certified by Project Staff as being a fair representation of work completed and work eligible for Rent Credit or Paint and Carpet Allowance(s). Neither Rent Credit nor Paint and Carpet Allowance(s) will be available to the subtenant or tenant to reduce monthly base rent prior to certification of satisfactory completion of work.

#### D. Subtenant Requirements.

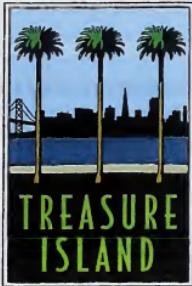
- 1) **Permits.** The subtenant or tenant will comply with all applicable permitting and regulatory requirements of the Authority, the City and County of San Francisco, (the US Navy in the case of subtenant) and any other regulatory agency.
- 2) **Credit Check.** The subtenant or tenant must meet the same standards of credit worthiness and other financial conditions as required for subtenants or tenants receiving full Authority review.

### III. REVIEW AND REPORTING REQUIREMENTS

- A. Prior to execution by the Treasure Island Director, the terms and conditions of a sublease or lease shall be reviewed by (the US Navy in the case of sublease), the Treasure Island Homeless Development Initiative and the Office of Economic and Workforce Development to assure that the proposed subtenant or tenant and the

terms of the proposed sublease or lease are compatible with current and future activities and operations, as well as the Development Project and Authority obligations to the Treasure Island Homeless Development Initiative and Treasure Island Community Development, LLC.

B. The Treasure Island Director shall present a written description at each monthly meeting of the Authority describing all subleasing and leasing activity, including subleases, leases and renewals signed by the Director and the terms of those subleases, leases and renewals.



LEASE No. 1,012

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Landlord

and

ABDO ALI NASSER  
a sole proprietor, doing business as  
ISLAND MARKET & DELI

as Tenant

For the Lease of a portion of

Building 201

---

Treasure Island Naval Station  
San Francisco, California

December 1, 2015

## TREASURE ISLAND LEASE

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### LIST OF EXHIBITS:

EXHIBIT A –	Diagram of Premises
EXHIBIT A1 –	Navy Deed
EXHIBIT B –	Cover Page of Seismic Report
EXHIBIT C –	Rules and Regulations
EXHIBIT D –	Utilities
EXHIBIT E –	TIHDI Work Force Hiring Plan

## **TREASURE ISLAND LEASE**

THIS LEASE (the "Lease"), dated for reference purposes only as of December 1, 2015, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit nonprofit corporation ("Landlord"), and ABDO ALI NASSER, a sole proprietor, DBA ISLAND MARKET & DELI ("Tenant"). From time to time, Landlord and Tenant together shall be referred to herein as the "Parties".

This Lease is made with reference to the following facts and circumstances:

A. Landlord owns portions of the property known as the Naval Station Treasure Island (the "Property"). Landlord acquired the property from the U.S. Navy in accordance with the deed attached hereto as Exhibit A-1 (the "Navy Deed").

B. Tenant desires to lease from Landlord, and Landlord is willing to lease to Tenant, a portion of the Property on the terms and conditions contained in this Lease.

NOW THEREFORE, Landlord and Tenant hereby agree as follows:

### **1. BASIC LEASE INFORMATION**

The following is a summary of basic lease information (the "Basic Lease Information"). Each item below shall be deemed to incorporate all of the terms of this Lease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Lease, the more specific provision shall control.

Lease Reference Date:	December 1, 2015
Landlord:	✓ TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit nonprofit corporation
Tenant:	ABDO ALI NASSER, a sole proprietor, DBA ISLAND MARKET & DELI
Leased Premises (Section 2.1):	Approximately Ten Thousand (10,000) square feet of shed space located at Building 201, Treasure Island, San Francisco, California, all as more particularly shown on Exhibit A attached hereto and made a part hereof.
Facility:	Building 201

Term: (Section 3.1):	Commencement date: December 1, 2015 Expiration date: November 30, 2018
Base Rent (Section 4.1):	<p>Early Entry:            Commencing December 1, 2015 and ending November 30, 2016, the Tenant shall be provided Four Hundred and Fifty Five (455) days of Early Entry for the sole purpose of installing equipment. During the Early Entry period, Tenant shall not pay Base Rent but shall be subject to all other terms and conditions set forth in the Lease.</p> <p>Commencing March 1, 2016 and ending November 30, 2017, Monthly Base Rent shall be Two Thousand Dollars (\$2,000.00) per month or \$0.20 per square foot per month</p> <p>Commencing December 1, 2017 and ending November 30, 2018, Monthly Base Rent shall be Two Thousand and One Hundred Dollars (\$2,100.00) per month or \$0.21 per square foot per month</p>
Rent Adjustment Date(s) (Section 4.2):	Not applicable
Rent Increase Percentage (Section 4.2):	Not applicable
Additional Charges (Section 4.3):	Tenant shall pay Additional Charges in the amount of Nine Hundred Dollars (\$900.00) per month to cover Tenant's utility related expenses.
Use (Section 6.1):	Operation of a full service grocery store and restaurant to include but not limited to the following: delicatessen, meat, poultry, dairy, produce, groceries, dry goods, and various other sundries only and for no other purpose.
Security Deposit (Section 18.3):	Five Thousand and Eight Hundred Dollars (\$5,800.00)

Notice Address of Landlord (Section 20.1):

Treasure Island Development Authority  
Treasure Island Project Office  
One Avenue of Palms  
Building 1, 2nd Floor  
Treasure Island  
San Francisco, CA 94130

Attn: Robert P. Beck  
Treasure Island Director  
Fax No.: 415-274-0299  
with a copy to:

Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Attn: Charles Sullivan  
Fax No.: (415) 554-4755

Notice Address of Tenant (Section 20.1):

ISLAND MARKET & DELI  
1824 Hoffman Blvd.  
Richmond, CA 94804

Attn: Abdo Ali Nasser  
Phone No. 510-235-6980  
Fax No. 510-237-1167  
Email: [ammornasser@yahoo.com](mailto:ammornasser@yahoo.com)

## 2. PREMISES

**2.1. Leased Premises.** Subject to the terms, covenants and conditions of this Lease, Landlord leases to Tenant the Premises. Tenant shall have the non-exclusive right to use, together with other tenants in the Facility, the lobbies, corridors, elevators, stairways and other public areas of the Facility and the Property (collectively, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Facility and the Property.

In the event Tenant uses or occupies space outside the Premises without the prior written

consent of Landlord (the "Encroachment Area"), then upon written notice from Landlord ("Notice to Vacate"), Tenant shall immediately vacate such Encroachment Area and pay as additional rent for each day Tenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Landlord's Board of Directors for the Premises or the Facility, or (b) then current fair market rent for such Encroachment Area, as reasonably determined by Landlord (the "Encroachment Area Charge"). If Tenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period shall be prorated based on a thirty (30) day month. In no event shall acceptance by Landlord of the Encroachment Area Charge be deemed a consent by Landlord to the use or occupancy of the Encroachment Area by Tenant or a waiver (or be deemed as waiver) by Landlord of any and all other rights and remedies of Landlord under this Lease (including Tenant's obligation to indemnify, defend and hold Landlord harmless as set forth in the last paragraph of this Section 2.1), at law or in equity.

In addition to the foregoing amount, Tenant shall pay to Landlord, as additional rent, an amount equaling Two Hundred Dollars (\$200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Landlord determines during subsequent inspection(s) that Tenant has failed to vacate the Encroachment Area, then Tenant shall pay to Landlord, as additional rent, an amount equaling Three Hundred Dollars (\$300.00) for each additional Notice to Vacate, if applicable, delivered by Landlord to Tenant following each inspection. The parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Landlord will incur by reason of Landlord's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Tenant's failure to comply with the applicable Notice to Vacate and Landlord's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights and remedies of Landlord under this Lease, at law or in equity. The amounts set forth in this Section 2.1 shall be due within three (3) business days following the applicable Notice to Vacate and/or separate invoice relating to the actual cost associated with a survey of the Encroachment Area.

In addition to the rights and remedies of Landlord as set forth in the immediately foregoing two paragraphs of this Section 2.1, the terms and conditions of the indemnity and exculpation provision set forth in Section 15 below shall also apply to Tenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Tenant shall additionally indemnify, defend and hold Landlord harmless from and against any and all loss or liability resulting from delay by Tenant in so surrendering the Encroachment Area including, without limitation, any loss or liability resulting from any claims against Landlord made by any tenant or prospective tenant founded on or resulting from such delay and losses to Landlord due to lost opportunities to lease any portion of the Encroachment Area to any such tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 2.1 and the reasonableness of the amount of the charges described in this Section 2.1.

Initials: \_\_\_\_\_ Landlord \_\_\_\_\_ Tenant

## **2.2. As Is Condition of Premises.**

**(a) Inspection of Premises.** Tenant represents and warrants that Tenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Tenant's Agents"), of the Premises and the suitability of the Premises for Tenant's intended use. Tenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Tenant acknowledges its receipt and review of the Seismic Report referenced in Section 2.2(c) below and the Joint Inspection Report.

**(b) As Is; Disclaimer of Representations.** Tenant acknowledges and agrees that the Premises are being leased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Lease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Tenant acknowledges and agrees that neither Landlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Landlord's Agents") have made, and Landlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Tenant's use and permitted under this Lease, (v) the safety of the Premises, whether for the use by Tenant or any other person, including Tenant's Agents or Tenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or Tenants ("Tenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including,

without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) **Seismic Report.** Without limiting Section 2.2(b) above, Tenant expressly acknowledges for itself and Tenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Tenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

(d) **Navy Deed.** Tenant understands that the Navy made certain disclosures and retained certain rights in and to the Premises, as set forth in the Navy Deed. The Navy has the right to perform any remedial actions that may be necessary to protect human health and the environment with respect to any hazardous substance in or around the Premises in accordance with the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9620(h)(3)(A)(ii)(I), and has the right to take some or all of the Premises as may be needed in connection therewith. This Lease is subject and subordinate to the Navy's rights under the Navy Deed, and Tenant acknowledges that Landlord shall have the right to suspend or terminate this Lease, without payment to Tenant, if Navy requires use of the Premises as set forth in the Navy Deed.

### 3. TERM

3.1. **Term of Lease.** The term of this Lease (the "Term") shall commence on the Commencement Date set forth in the Basic Lease Information, and expire on the Expiration Date set forth in the Basic Lease Information, unless sooner terminated pursuant to the terms of this Lease.

3.2. **Effective Date.** This Lease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Lease, (ii) Landlord's Board of Director's approval of this Lease at a duly noticed meeting, if such approval is required, or (iii) the Commencement Date.

3.3. **Termination.** As set forth in the Basic Lease Information (Term), either Landlord or Tenant, each in their sole discretion, may terminate this Lease for any reason without liability or expense upon delivery of not less than thirty (30) days' prior written notice to the other party. Tenant agrees and shall be required to surrender possession of the Premises by the end of such

thirty (30) day period.

**3.4. No Relocation Assistance.** Tenant acknowledges that Tenant has previously been informed that the Property subject to this Lease is part of an area that is proposed for redevelopment and that this Lease may be terminated by Landlord or Tenant may be required to move from the Property to accommodate the redevelopment project. Tenant acknowledges that, if this Lease is terminated or Tenant is asked to move, it will not be a displaced person as that term is defined under the California Government Code Section 7260 et seq. ("California Relocation Act") and the Uniform Relocation Assistance and Real Property Policies Act, 42 U.S.C. 4601 et seq. ("URA"), and that Tenant will not be entitled to any relocation benefits provided under the California Relocation Act and the URA, including any moving expenses, reimbursement for costs associated with increased rent, loss of goodwill or other costs related to the termination of Tenant's Lease and Tenant's relocation from the Premises. Tenant fully RELEASES AND DISCHARGES forever any and all claims against, and covenants not to sue, Landlord, its departments, commissions, officers, directors and employees, agents, contractors and successors and assigns and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Landlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq., and the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. 4601, et seq.). Tenant understands and acknowledges that Landlord would not be willing to enter into this Lease without Tenant's agreement that it is not entitled to any relocation benefits or assistance.

Initials: \_\_\_\_\_ Tenant

#### 4. RENT

**4.1. Base Rent.** Throughout the Term, beginning on the Commencement Date, Tenant shall pay to Landlord Base Rent in the amount set forth in the Basic Lease Information. Base Rent shall be paid to Landlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Landlord provided in Section 20.1 hereof or such other place as Landlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Lease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

**4.2. Adjustments in Base Rent.** If this Lease has not been terminated, then on each Rent Adjustment Date set forth in the Basic Lease Information, the Base Rent shall be increased by the Rent Increase Percentage set forth in the Basic Lease Information.

**4.3. Additional Charges.** In addition to Base Rent, Tenant shall pay all other charges related to the Premises otherwise payable by Tenant to Landlord hereunder, including, without

limitation, all late charges and default interest attributable to late payments and/or defaults of Tenant hereunder, all utility charges, and any amounts other than Base Rent that shall become due and payable by Tenant under this Lease (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

**4.4. Late Charge.** If Tenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Landlord and Tenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Landlord will incur as a result of any such failure by Tenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Landlord for its damages resulting from such failure to pay and Tenant shall promptly pay such charge to Landlord together with such unpaid amount.

**4.5. Default Interest.** If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Tenant nor on any amounts on which late charges are paid by Tenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Tenant.

## 5. TAXES, ASSESSMENTS AND OTHER EXPENSES

### 5.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) **Payment Responsibility.** Tenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Tenant's Personal Property, or Tenant's use of the Premises or any Alterations during the Term. Tenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Landlord receives the tax bill directly from the taxing authority, Tenant shall reimburse Landlord for payment of such sums immediately upon demand.

(b) **Taxability of Possessory Interest.** Without limiting the foregoing, Tenant recognizes and agrees that this Lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens.** Tenant shall not allow or suffer a lien for any taxes payable by Tenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to

delinquency.

(d) **Reporting Information.** Tenant agrees to provide such information as Landlord may request to enable Landlord to comply with any possessory interest tax reporting requirements applicable to this Lease.

**5.2. Evidence of Payment.** Tenant shall, upon Landlord's request, furnish to Landlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Landlord, evidencing payment thereof.

## 6. USE; COVENANTS TO PROTECT PREMISES

**6.1. Tenant's Permitted Use.** Tenant may use the Premises for the Permitted Use set forth in the Basic Lease Information, but for no other purpose without the prior written consent of Landlord, which consent may be given or withheld in Landlord's sole and absolute discretion.

**6.2. Tenant's Access to the Premises.** Tenant shall have access to the Premises on a twenty four (24) hours per day, seven (7) days per week basis.

**6.3. Rules and Regulations.** Tenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Landlord from time to time.

**6.4. Easements.** This Lease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Landlord shall determine to be in the public interest ("Additional Easements"); provided that, Landlord shall use its best efforts to minimize any interference with Tenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Tenant for such damages as Tenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

**6.5. No Interference with Navy Operations.** Tenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Navy's

operations or environmental clean-up or restoration actions by the Navy, Landlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Tenant's use of the Premises in the event of any conflict; provided, however, in such event, Navy and Landlord shall use their best efforts to minimize any disruption of Tenant's operation.

**6.6. No Unlawful Uses, Nuisances or Waste.** Without limiting the foregoing, Tenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Tenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises. Tenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

## **7. ALTERATIONS**

**7.1. Alterations.** Tenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Landlord's prior written consent in each instance, which consent may be given or withheld in Landlord's sole and absolute discretion. Subject to Landlord's consent as provided above, any Alterations shall be done at Tenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Landlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Landlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Landlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Tenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Landlord. No material change from the plans and specifications for any Alterations approved by Landlord may be made without Landlord's prior consent. Landlord and Landlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

**(a) Asbestos-Containing Materials.** Without limiting Section 24.2 (No Hazardous Materials) below, in the event that asbestos-containing materials ("ACM") are determined to exist in or about the Premises, Tenant shall ensure that all Alterations and any asbestos related work, as defined in California Health & Safety Code Section 25914.1(b), is performed in compliance with all laws relating to asbestos, including but not limited to California Occupational Safety and Health (OSHA) regulations found in Title 8 of the California Code of Regulations, Sections 1502 and 1529. Additionally, Tenant shall distribute notifications to all employees and contractors as required pursuant to California Health & Safety Code Section 25915 et seq. informing them of the existence of ACM and that moving, drilling, boring, or otherwise disturbing ACM may present a health risk and should not be attempted by an unqualified employee. No Alterations affecting ACM-containing areas or any asbestos related

work shall be performed without Landlord's prior written consent in each instance.

**(b) Tenant's Improvements or Alterations that Disturb or Remove Lead Based Paint.**

Tenant shall comply with all requirements of the San Francisco Building Code, Section 3407, and all other applicable present or future federal, state, local and administrative laws, rules, regulations, orders and other governmental requirements, the requirements of any board of fire underwriters or other similar body, any directive or occupancy certificate issued pursuant to any law by any public officer or officers acting in their regulatory capacity (collectively, "Laws"), including, without limitation, the California and United States Occupational Health and Safety Acts and their implementing regulations, when the work of improvement or alteration disturbs or removes exterior lead-based or "presumed" lead-based paint (as defined below). Tenant shall give to Landlord three (3) business days prior written notice of any disturbance or removal of exterior lead-based or presumed lead-based paint. Further, Tenant, when disturbing or removing exterior lead-based or presumed lead-based paint, shall not use or cause to be used any of the following methods: (a) acetylene or propane burning and torching; (b) scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter ("HEPA") local vacuum exhaust tool; (c) hydroblasting or high pressure wash without containment barriers; (d) abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and (e) heat guns operating above 1,100 degrees Fahrenheit. Paint on the exterior of buildings built before December 31, 1978, is presumed to be lead-based paint unless lead-based paint testing, as defined in Section 3407 of the San Francisco Building Code, demonstrates an absence of lead-based paint on the exterior surfaces of such buildings. Under this Section, lead based paint is "disturbed or removed" if the work of improvement or alteration involves any action that creates friction, pressure, heat or a chemical reaction upon any lead-based or presumed lead-based paint on an exterior surface so as to abrade, loosen, penetrate, cut through or eliminate paint from that surface. Notice to Landlord under this Lease shall not constitute notice to the City's Department of Building Inspection required under Section 3407 of the San Francisco Building Code.

**7.2. Historic Properties.** Without limiting the generality of the foregoing, Tenant acknowledges and agrees that no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Landlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

**7.3. Ownership of Alterations.** Any Alterations constructed on or affixed to the Premises by or on behalf of Tenant pursuant to the terms and limitations of this Section 7 shall be and remain Tenant's property during the Term. Upon the termination of this Lease, Tenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 18 hereof, unless Landlord, at its sole option and without limiting any of the provisions of Section 7.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Lease.

**7.4. Tenant's Personal Property.** All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Tenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Tenant's Personal Property") shall be and remain the property of Tenant and shall be removed by Tenant, subject to the provisions of Section 19 hereof. Tenant shall be solely responsible for providing any security or other protection of or maintenance to Tenant's Personal Property.

**7.5. Landlord's Alterations.** Landlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

## **8. REPAIRS AND MAINTENANCE**

**8.1. Tenant Responsible for Maintenance and Repair.** Tenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Landlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Landlord be liable for any portion of the cost thereof. Tenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Landlord's reasonable satisfaction, provided, however, that neither Tenant nor Landlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Tenant or Tenant's Agents or Tenant's Invitees hereunder, Tenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

**8.2. Utilities.** Landlord shall provide the basic utilities and services described in the attached Exhibit E (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Tenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Tenant may need for its use of the Premises. Tenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

**8.3. Landscaping.** Landlord shall maintain the exterior landscaping of the Premises in good condition and repair.

**8.4. Janitorial Services.** Tenant shall provide all janitorial services for the Premises.

**8.5. Pest Control.** Tenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

**8.6. Trash.** Tenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit D. Tenant shall pay for the removal of trash from the designated containers. Tenant shall abide by all rules established by Landlord for the handling of trash.

**8.7. No Right to Repair and Deduct.** Tenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Tenant to make repairs or replacements at Landlord's expense, or to terminate this Lease because of Landlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Tenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Tenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Tenant to terminate this Lease and with respect to any obligations of Landlord hereunder or any right of Tenant to make repairs or replacements and deduct the cost thereof from Rent.

## **9. LIENS**

**10.1. Liens.** Tenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Tenant. In the event Tenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Landlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Landlord by Tenant upon demand. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Landlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens.

Tenant shall give Landlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

## **10. COMPLIANCE WITH LAWS**

**10.1. Compliance with Laws.** Tenant shall promptly, at its sole expense, maintain the Premises and Tenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Tenant shall not be required to make repairs or structural changes to the

Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Tenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Tenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.* and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in this Lease below), and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Tenant any right to seek redress against Landlord for failing to comply with any Laws. Tenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Landlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

#### **10.2. Regulatory Approvals; Responsible Party.**

Tenant understands and agrees that Tenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Tenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Tenant shall not seek any regulatory approval without first obtaining the written consent of Landlord. Tenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Tenant, and Landlord shall have no liability, monetary or otherwise, for any such fines or penalties. Tenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Landlord, and City, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Tenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

#### **10.3. Compliance with Landlord's Risk Management Requirements.** Tenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Landlord from any potential premises liability. Tenant shall faithfully observe, at its expense, any and all reasonable requirements of Landlord's Risk Manager with respect thereto

and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

## **11. ENCUMBRANCES**

Notwithstanding anything to the contrary contained in this Lease, Tenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Landlord's or Tenant's interest under this Lease.

## **12. DAMAGE OR DESTRUCTION**

**12.1. Damage or Destruction to the Premises.** In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Tenant or Tenant's Agents or Tenant's Invitees, (ii) is not covered by the insurance described in Section 16 below, (iii) prevents Tenant from operating the Premises for the purposes stated herein, and (iv) costs more to repair than the Repair amount set forth in the Basic Lease Information, either party may terminate this Lease upon thirty (30) days prior written notice and upon any such termination Tenant shall surrender the Premises in accordance with Section 18 (except for damage caused by a casualty pursuant to which this Lease may be terminated under this Section 12.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Lease as provided in this Section 12.1, then Tenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 7.1 above. Under no circumstances shall Landlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

**12.2. No Abatement in Rent.** In the event of any damage or destruction to the Premises, and if neither party terminates this Lease as provided in Section 12.1 above, there shall be no abatement in the Rent payable hereunder.

**12.3. Waiver.** The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Landlord and Tenant each hereby waives and releases any right to terminate this Lease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

## **13. ASSIGNMENT AND SUBLetting**

**13.1. Restriction on Assignment and Subletting.** Tenant shall not directly or indirectly

(including, without limitation, by merger, acquisition or other transfer of any controlling interest in Tenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, Lease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Lease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Landlord's prior written consent in each instance, which Landlord may grant or withhold in its sole and absolute discretion. Tenant shall provide Landlord with a written notice of its intention to Transfer this Lease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Tenant shall provide Landlord with such information regarding the proposed Transfer as Landlord may reasonably request.

**13.2. Bonus Rental.** If Landlord consents to a Transfer of any of Tenant's interest in or rights with respect to the Premises pursuant to Section 13.1 above, then one hundred percent (100%) of any rent or other consideration payable to Tenant in excess of the Base Rent payable hereunder (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) shall be paid to Landlord immediately upon receipt by Tenant.

#### **14. DEFAULT; REMEDIES**

**14.1. Events of Default.** Any of the following shall constitute an event of default ("Event of Default") by Tenant hereunder:

- (a) **Failure to Pay Rent**. Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;
- (b) **Covenants, Conditions and Representations**. Any failure to perform or comply with any other covenant, condition or representation made under this Lease; provided, Tenant shall have a period of ten (10) days from the date of written notice from Landlord of such failure within which to cure such default under this Lease, or, if such default is not capable of cure within such 10-day period, Tenant shall have a reasonable period to complete such cure if Tenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Landlord;
- (c) **Vacation or Abandonment**. Any abandonment of the Premises for more than fourteen (14) consecutive days;
- (d) **Bankruptcy**. The appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted; and

(e) **Notices of Default.** The delivery to Tenant of three (3) or more notices of default within any twelve (12) month period, irrespective of whether Tenant actually cures such default within the specified time period, may, in the sole and absolute discretion of the Authority, be deemed an incurable breach of this Lease allowing the Authority to immediately terminate this Lease without further notice or demand to Tenant.

**14.2. Remedies.** Upon the occurrence of an Event of Default by Tenant, Landlord shall have the following rights and remedies in addition to all other rights and remedies available to Landlord at Law or in equity:

(a) **Terminate Lease and Recover Damages.** The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Tenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Tenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Landlord's efforts to mitigate the damages caused by Tenant's breach of this Lease shall not waive Landlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver.** The right to have a receiver appointed for Tenant upon application by Landlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Landlord pursuant to this Lease.

**14.3. Landlord's Right to Cure Tenant's Defaults.** If Tenant defaults in the performance of any of its obligations under this Lease, then Landlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Landlord where prior notice by Landlord is impractical), remedy such Event of Default for Tenant's account and at Tenant's expense. Tenant shall pay to Landlord, as Additional Charges, promptly upon demand, all sums expended by Landlord, or other costs, damages, expenses or liabilities incurred by Landlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Tenant's obligations under this Section shall survive the termination of this Lease. Nothing herein shall imply any duty of Landlord to do any act that Tenant is obligated to perform under any provision of this Lease, and Landlord's cure or attempted cure of Tenant's Event of Default shall not constitute a waiver of Tenant's Event of Default or any rights or remedies of Landlord on account of such Event of Default.

## **15. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION**

**15.1. Release and Waiver of Claims.** Tenant, on behalf of itself and Tenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Tenant for, and, to the fullest extent allowed by any Laws, Tenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to,

incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Tenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Tenant's uses hereunder. Landlord would not be willing to enter into this Lease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Tenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Tenant or other waivers contained in this Lease and as a material part of the consideration for this Lease, Tenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Lease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Tenant pursuant to this Lease regardless of the cause.

(b) Without limiting any indemnification obligations of Tenant or other waivers contained in this Lease and as a material part of the consideration for this Lease, Tenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Landlord terminates this Lease because of such claim for inverse condemnation or eminent domain.

(c) As part of Tenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Tenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Tenant's intended use.

(d) Tenant acknowledges that it will not be a displaced person at the time this Lease is terminated, and Tenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state

relocation assistance laws.

(e) Without limiting any other waiver contained herein, Tenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' decision to Lease the Premises to Tenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Tenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 15.1.

(g) In executing these waivers and releases, Tenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Tenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Tenant regardless of any claims of mistake.

(i) **In connection with the foregoing releases, Tenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:**

**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

Tenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Tenant realizes and acknowledges that it has agreed upon this Lease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Lease.

**15.2. Tenant's Indemnity.** Tenant, on behalf of itself and Tenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Tenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Tenant or Tenant's Agents or Tenant's Invitees; (b) any accident, injury to or death of a person,

including, without limitation, Tenant's Agents and Tenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Tenant in the observation or performance of any of the terms, covenants or conditions of this Lease to be observed or performed on Tenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Tenant, Tenant's Agents or Tenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) any construction or other work undertaken by Tenant on or about the Premises; and (f) any acts, omissions or negligence of Tenant, Tenant's Agents or Tenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Lease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Landlord's costs of investigating any Loss. Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Landlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by Landlord and continues at all times thereafter. Tenant's obligations under this Section shall survive the expiration or sooner termination of this Lease.

## 16. INSURANCE

**16.1. Required Insurance Coverage.** Tenant, at its sole cost and expense, shall maintain, or cause to be maintained, through the Term of this Lease, the following insurance:

(a) **General Liability Insurance.** Comprehensive or commercial general liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, Two Million Dollars (\$2,000,000) aggregate for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury,

products and completed operations, fire damage and legal liability with limits not less than One Million Dollars (\$1,000,000), explosion, collapse and underground (XCU).

(b) **Automobile Liability Insurance.** Comprehensive or business automobile liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Tenant's activity on the Premises or the Permitted Use.

(c) **Worker's Compensation and Employer's Liability Insurance.** If Tenant has employees, Worker's Compensation Insurance in statutory amounts with Employer's Liability with limits not less than One Million Dollars (\$1,000,000.00) for each accident, injury or illness,

on employees eligible for each.

(d) **Personal Property Insurance.** Tenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by Tenant for the replacement of Tenant's personal property.

(e) **Other Coverage.** Such other insurance or different coverage amounts as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager.

**16.2. Claims-Made Policies.** If any of the insurance required in Section 16.1 above is provided under a claims-made form of policy, Tenant shall maintain such coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Lease, to the effect that should occurrences during the Term give rise to claims made after termination of this Lease, such claims shall be covered by such claims-made policies.

**16.3. Annual Aggregate Limits.** If any of the insurance required in Section 16.1 above is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

**16.4. Payment of Premiums.** Tenant shall pay the premiums for maintaining all required insurance.

**16.5. Waiver of Subrogation Rights.** Notwithstanding anything to the contrary contained herein, Landlord and Tenant (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Facility or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Lease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Facility or the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

**16.6. General Insurance Matters.**

(a) All liability insurance policies required to be maintained by Tenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO,

AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds with respect to claims arising under this Lease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

(b) All insurance policies required to be maintained by Tenant hereunder shall be issued by an insurance company or companies reasonably acceptable to Landlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies required to be maintained by Tenant hereunder shall provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Tenant and Landlord. Such notice shall be given in accordance with the notice provisions of Section 20.1 below.

(d) Tenant shall deliver to Landlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Landlord evidencing the coverages required herein, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Tenant shall, upon Landlord's request, promptly furnish Landlord with a complete copy of any insurance policy required hereunder.

(e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Landlord may require Tenant to increase the insurance limits set forth in Section 16.1 above if Landlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Tenant with respect to risks comparable to those associated with the use of the Premises.

(f) Tenant's compliance with the provisions of this Section shall in no way relieve or decrease Tenant's indemnification obligations herein or any of Tenant's other obligations or liabilities under this Lease.

(g) Notwithstanding anything to the contrary in this Lease, Landlord may elect in Landlord's sole and absolute discretion to terminate this Lease upon the lapse of any required insurance coverage by written notice to Tenant.

## 17. ACCESS BY LANDLORD

### 17.1. Access to Premises by Landlord.

(a) **General Access.** Landlord reserves for itself and Landlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Tenant (except in the event of an emergency) for any purpose.

(b) **Emergency Access.** In the event of any emergency, as determined by Landlord, Landlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Tenant's Personal Property on or about the Premises. Landlord shall have the right to use any and all means Landlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Landlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.

(c) **No Liability.** Landlord shall not be liable in any manner, and Tenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Landlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Landlord or Landlord's Agents and not contributed to by the acts, omissions or negligence of Tenant, Tenant's Agents or Tenant's Invitees.

**17.2. Access to Premises by Landlord.** Tenant acknowledges and agrees that Landlord shall have all of the rights of access to the Premises described in the Lease.

## **18. SURRENDER**

**18.1. Surrender of the Premises.** Upon the termination of this Lease, Tenant shall surrender to Landlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Tenant. On or before any termination hereof, Tenant shall, at its sole cost, remove any and all of Tenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Landlord agrees are to remain part of the Premises pursuant to the provisions of Section 7.3 above). In addition, Tenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Tenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Tenant's obligations under this Section shall survive the termination of this Lease. Any items of Tenant's Personal Property remaining on or about the Premises after the termination of this Lease may, at Landlord's option and after thirty (30) days written notice to Tenant, be deemed abandoned and in such case Landlord may dispose of such property in accordance with Section 1980, et seq., of the California Civil Code or in any other manner allowed by Law.

**18.2. No Holding Over.** If Tenant fails to surrender the Premises to Landlord upon the termination of this Lease as required by this Section, Tenant shall Indemnify Landlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Tenant resulting from Tenant's failure to surrender the Premises. Tenant shall have no right to hold over

without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion. If Landlord holds over the Premises or any part thereof after expiration or earlier termination of this Lease, such holding over shall be terminable upon written notice by Landlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Lease. This Section shall not be construed as Landlord's permission for Tenant to hold over. Acceptance of any holdover Base Rent by Landlord following expiration or termination of this Lease shall not constitute an extension or renewal of this Lease.

**18.3. Security Deposit.** Tenant shall pay to Landlord upon execution of this Lease a security deposit in the amount set forth in the Basic Lease Information as security for the faithful performance of all terms, covenants and conditions of this Lease. Tenant agrees that Landlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Tenant, Tenant's Agents or Tenant's Invitees, or any failure of Tenant to perform any other terms, covenants or conditions contained in this Lease, without waiving any of Landlord's other rights and remedies hereunder or at Law or in equity. Should Landlord use any portion of the security deposit to cure any Event of Default by Tenant hereunder, Tenant shall immediately replenish the security deposit to the original amount, and Tenant's failure to do so within five (5) days of Landlord's notice shall constitute a material Event of Default under this Lease. Landlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Landlord shall not be required to keep the security deposit separate from its general funds, and Tenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Tenant's liability for the performance of any of its obligations under this Lease. To the extent that Landlord is not entitled to retain or apply the security deposit pursuant to this Section 18.3, Landlord shall return such security deposit to Tenant within forty-five (45) days of the termination of this Lease.

## 19. HAZARDOUS MATERIALS

**19.1. No Hazardous Materials.** Tenant covenants and agrees that neither Tenant nor any of Tenant's Agents or Tenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 *et seq.*), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought

upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Landlord, which approval may be withheld in Landlord's sole and absolute discretion. Tenant shall immediately notify Landlord if and when Tenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Landlord may from time to time request Tenant to provide adequate information for Landlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Tenant shall promptly provide all such information. Landlord and Landlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Tenant (except in the event of an emergency). Tenant agrees that it shall comply, without limiting the foregoing, with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan. Tenant agrees that it shall comply with the restrictions or limitations set forth in the Navy Deed, the Covenant to Restrict Use of Property (the "CRUP", if any relate to the Premises), and any additional requirements imposed by regulators with jurisdiction over the Premises.

**19.2. Tenant's Environmental Indemnity.** If Tenant breaches any of its obligations contained in Section 19.1 above, or, if any act or omission or negligence of Tenant or any of Tenant's Agents or Tenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leaching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Tenant's general Indemnity contained in Section 15.2 above, Tenant, on behalf of itself and Tenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Landlord, Landlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Lease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Landlord property. Without limiting the foregoing, if Tenant or any of Tenant's Agents or

Tenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Tenant shall, immediately, at no expense to Landlord, take any and all appropriate actions to return the Premises or other Landlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Tenant shall provide Landlord with written notice of and afford Landlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

**19.3. Acknowledgment of Receipt of EBS and FOST.** Tenant hereby acknowledges for itself and its Agents that, prior to the execution of this Lease, Tenant has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Transfer ("FOST") issued by the Navy. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Tenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOST. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Lease, Tenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

## **20. GENERAL PROVISIONS**

**20.1. Notices.** Except as otherwise expressly provided in this Lease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Lease Information. Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 20.1 and applicable Laws, shall be deemed receipt of such notice.

**20.2. No Implied Waiver.** No failure by Landlord to insist upon the strict performance of any obligation of Tenant under this Lease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and

no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Landlord, shall constitute a waiver of such breach or of Landlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Lease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Landlord given in any instance under the terms of this Lease shall not relieve Tenant of any obligation to secure the consent of Landlord in any other or future instance under the terms of this Lease.

**20.3. Amendments.** Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

**20.4. Authority.** If Tenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing entity, that Tenant has and is qualified to do business in California, that Tenant has full right and authority to enter into this Lease, and that each and all of the persons signing on behalf of Tenant are authorized to do so. Upon Landlord's request, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Tenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a Lease containing those provisions and their legal effect.

**20.5. Joint and Several Obligations.** The word "Tenant" as used herein shall include the plural as well as the singular. If there is more than one Tenant, the obligations and liabilities under this Lease imposed on Tenant shall be joint and several.

**20.6. Interpretation of Lease.** The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Lease. Provisions in this Lease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Landlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein,

whenever the consent of Landlord is required to be obtained by Tenant hereunder, Landlord may give or withhold such consent in its sole and absolute discretion.

**20.7. Successors and Assigns.** Subject to the provisions of Section 13, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Landlord (or by any subsequent Landlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Landlord (or any subsequent Landlord) shall be relieved from all subsequent obligations and liabilities arising under this Lease subsequent to such transfer.

**20.8. Brokers.** Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Lease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.

**20.9. Severability.** If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the fullest extent permitted by Law.

**20.10. Governing Law.** This Lease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

**20.11. Entire Agreement.** This instrument (including the exhibits hereto, which are made a part of this Lease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Lease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Lease. Tenant hereby acknowledges that neither Landlord nor Landlord's Agents have made any representations or warranties with respect to the Premises or this Lease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise unless expressly set forth herein.

**20.12. Attorneys' Fees.** In the event that either Landlord or Tenant fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or

interpretation of any provision of this Lease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Lease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Landlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Lease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

**20.13. Time of Essence.** Time is of the essence with respect to all provisions of this Lease in which a definite time for performance is specified.

**20.14. Cumulative Remedies.** All rights and remedies of either party hereto set forth in this Lease shall be cumulative, except as may otherwise be provided herein.

**20.15. Survival of Indemnities.** Termination of this Lease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Lease, nor shall it affect any provision of this Lease that expressly states it shall survive termination hereof. Tenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Lease, Tenant has an immediate and independent obligation to defend Landlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by Landlord and continues at all times thereafter.

**20.16. Relationship of Parties.** Landlord is not, and none of the provisions in this Lease shall be deemed to render Landlord, a partner in Tenant's business, or joint venturer or member in any joint enterprise with Tenant. This Lease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Lease by Landlord does not constitute authorization or approval by Landlord of any activity conducted by Tenant on, in or relating to the Premises.

**20.17. Recording.** Tenant agrees that it shall not record this Lease nor any memorandum or short form hereof in the official records of any county.

**20.18. Non-Liability of Indemnified Parties' Officials, Employees and Agents.** No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Tenant, its successors and assigns, in the event of any default or breach by Landlord or for any amount which may become due to Tenant, its successors and assigns, or for any obligation of Landlord under this Lease.

**20.19. Counterparts.** This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

## **21. SPECIAL PROVISIONS**

**21.1. Signs.** Tenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Landlord's prior written consent, which Landlord may withhold or grant in its sole discretion.

**21.2. Public Transit Information.** Tenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Tenant's sole expense.

**21.3. TIHDI Job Broker.** Tenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit F.

**21.4. Local Hiring.** Tenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Tenant's personnel needs and to contract with local businesses for Tenant's purchase of supplies, materials, equipment or services.

### **21.5. Non-Discrimination in City Contracts and Benefits Ordinance.**

(a) **Covenant Not to Discriminate.** In the performance of this Lease, Tenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Tenant in any of Tenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Tenant.

(b) **Subleases and Other Subcontracts.** Tenant shall include in all Subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Tenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subtenants and other subcontractors to comply with such provisions. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) **Non-Discrimination in Benefits.** Tenant does not as of the date of this Lease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Lease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **CMD Form.** As a condition to this Lease, Tenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco City Administrator's Contract Monitoring Division (the "CMD"). Tenant hereby represents that prior to execution of this Lease, (i) Tenant executed and submitted to the CMD Form CMD-12B-101 with supporting documentation; and (ii) the CMD approved such form.

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Tenant shall comply fully with and be bound by all of the provisions that apply to this Lease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Tenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

**21.6. MacBride Principles - Northern Ireland.** The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Tenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing

business in Northern Ireland.

**21.7. Tropical Hardwood and Virgin Redwood Ban.** The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Tenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Lease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Tenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant shall be liable for liquidated damages for each violation in an amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

**21.8. Wages and Working Conditions.** Tenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Tenant provides under this Lease, shall be paid not less than the highest prevailing rate of wages consistent with the requirements of Section 6.22(E) of the San Francisco Administrative Code, and shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Tenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Tenant shall require any contractor to provide, and shall deliver to Landlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

**21.9. Prohibition of Alcoholic Beverage Advertising.** Tenant acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of alcoholic beverages, (ii) encourage people not to drink alcohol or to stop drinking alcohol, or (iii) provide or publicize drug or alcohol treatment or rehabilitation services.

**21.10. Prohibition of Tobacco Sales and Advertising.** Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Landlord or the City, including the Premises and the Property. This advertising prohibition includes the placement of the name of a company producing, selling or

distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

**21.11. Pesticide Prohibition.** Tenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Tenant to submit to Landlord an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the terms of this Lease, (b) describes the steps Tenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as Tenant's primary IPM contact person with the City. In addition, Tenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

**21.12. First Source Hiring Ordinance.** The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Landlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Tenant shall enter into a First Source Hiring Agreement that meets the applicable requirements of Section 83.9 of the First Source Hiring Ordinance.

**21.13. Sunshine Ordinance.** In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

**21.14. Conflicts of Interest.** Through its execution of this Lease, Tenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Tenant becomes aware of any such fact during the Term of this Lease, Tenant shall immediately notify Landlord.

**21.15. Charter Provision.** This Lease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

**21.16. Requiring Health Benefits for Covered Employees.** Unless exempt, Tenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Lease as though fully set forth. The text of the HCAO is available on the web at <http://www.sfgov.org/olse/hcao>. Capitalized terms used in this Section and not defined in this Lease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Tenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Tenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Tenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Tenant's failure to comply with the HCAO shall constitute a material breach of this Lease. Landlord shall notify Tenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Tenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Landlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Landlord.

(d) Any Subcontract entered into by Tenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Tenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Tenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Landlord may pursue the remedies set forth in this Section against Tenant based on the Subcontractor's failure to comply, provided that Landlord has first provided Tenant with notice and an opportunity to obtain a cure of the violation.

(e) Tenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Landlord with regard to Tenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for

participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Tenant shall keep itself informed of the current requirements of the HCAO.

(h) Tenant shall provide reports to Landlord in accordance with any reporting standards promulgated by Landlord under the HCAO, including reports on Subcontractors and Tenants, as applicable.

(i) Tenant shall provide Landlord with access to records pertaining to compliance with the HCAO after receiving a written request from Landlord to do so and being provided at least five (5) business days to respond.

(j) Landlord may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant agrees to cooperate with Landlord when it conducts such audits.

(k) If Tenant is exempt from the HCAO when this Lease is executed because its amount is less than Twenty-Five Thousand Dollars (\$25,000) (or [Fifty Thousand Dollars (\$50,000) if Tenant is a qualified nonprofit]), but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with Landlord to reach Seventy-Five Thousand Dollars (\$75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars (\$75,000) in the fiscal year.

**21.17. Notification of Limitations on Contributions.** Through its execution of this Lease, Tenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Tenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Tenant further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Tenant's board of

directors; Tenant's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Tenant; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Tenant. Additionally, Tenant acknowledges that Tenant must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Tenant further agrees to provide Landlord the name of each person, entity or committee described above.

**21.18. Preservation-Treated Wood Containing Arsenic.** As of July 1, 2003, Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Tenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Tenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**21.19. Resource Efficient City Buildings and Pilot Projects.** Tenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Tenant hereby agrees that it shall comply with all applicable provisions of such code sections.

**21.20. Food Service Waste Reduction.** Tenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Lease as though fully set forth. This provision is a material term of this Lease. By entering into this Lease, Tenant agrees that if it breaches this provision, Landlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Tenant agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Landlord will incur based on the violation, established in light of the circumstances existing at the time this Lease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Landlord because of Tenant's failure to comply with this provision.

**21.21. Estoppel Certificates.** At any time and from time to time, within ten (10) days after Landlord's request, Tenant will execute, acknowledge and deliver to Landlord a statement

certifying the following matters: (a) the Commencement Date and Expiration Date of this Lease; (b) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Lease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Landlord. Landlord and Tenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Landlord's interest in the Lease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Tenant irrevocably appoints Landlord, as Tenant's agent, to execute and deliver in the name of Landlord any such instrument if Tenant fails to do so, which failure shall also be an Event of Default under this Lease.

**21.22. Addendum.** The terms of the Addendum, if any, attached to this Lease are incorporated into the Lease by reference. In the event of any inconsistency between the Lease and the Addendum, the terms of the Addendum shall control.

**21.23. Cooperative Drafting.** This Lease has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Lease reviewed and revised by legal counsel. No party shall be considered the drafter of this Lease, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Lease.

**22.24 Criminal History in Hiring and Employment Decisions**

(a) Unless exempt, Tenant agrees to comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions, "Chapter 12 T"), which are hereby incorporated as may be amended from time to time, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

(b) Tenant shall incorporate by reference the provisions of Chapter 12T in all Leases of some or all of the Premises, and shall require all subtenants to comply with such provisions. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) Tenant and subtenants shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information

pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Tenant and subtenants shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection (c) above. Tenant and subtenants shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(e) Tenant and subtenants shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(f) Tenant and subtenants shall post the notice prepared by the Office of Labor Standards Enforcement (“OLSE”), available on OLSE’s website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Premises or other workplace at which it is posted.

(g) Tenant and subtenants understand and agree that upon any failure to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T or this Lease, including but not limited to a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Lease.

(h) If Tenant has any questions about the applicability of Chapter 12T, it may contact the City’s Real Estate Division for additional information. City’s Real Estate Division may consult with the Director of the City’s Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

## **22.25 Local Hiring Requirements for Tenant Alterations and Improvements.**

Tenant Alterations and Improvements are subject to the San Francisco Local Hiring Policy for Construction (“**Local Hiring Policy**”) (San Francisco Administrative Code §6.22(G)) unless the Tenant improvements are undertaken and contracted for by Tenant and are estimated to cost less than \$750,000 per building permit; or meet any of the other exemptions in San Francisco Administrative Code Section 6.22(G). Accordingly, Tenant, as a condition of this Lease, agrees that, unless subject to an exemption or conditional waiver, Tenant shall comply with the obligations in San Francisco Administrative Code Section 6.22(G), and shall require Tenant's subtenants to comply with those obligations to the extent applicable. The requirements are summarized below. Before starting any Tenant Improvement Work, Tenant shall contact the

City's Office of Economic Workforce and Development ("OEWD") to verify the Local Hiring Policy requirements that apply to the Tenant Improvement Work, and Tenant shall comply with all such requirements. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease and may subject Tenant and its subtenants to the consequences of noncompliance specified in the Local Hiring Policy, including but not limited to penalties.

- (1) For each contractor and subcontractor performing Tenant improvements in amounts exceeding the Threshold Amount for a Covered Project, Tenant and its subtenants shall comply with the applicable mandatory participation levels for Project Work Hours performed by Local Residents, Disadvantaged Workers, and Apprentices set forth in Administrative Code §6.22(G)(4).
- (2) For Covered Projects estimated to cost more than \$1,000,000, prior to commencement of any work subject to the Local Hiring Policy, Tenant and its subtenants shall prepare and submit to Landlord and the City's Office of Economic and Workforce Development (OEWD) for approval a "local hire plan" for the project in accordance with Administrative Code §6.22(G)(6).
- (3) Tenant and its subtenants shall comply with applicable recordkeeping and reporting requirements and shall cooperate in City inspections and audits for compliance with the Local Hiring Policy, including allowing access to employees of its contractors and subcontractors and other witnesses at the Premises.
- (4) Tenant agrees that (i) Tenant shall comply with all applicable requirements of the Local Hiring Policy; (ii) the provisions of the Local Hiring Policy are reasonable and achievable by Tenant and its subtenants; and (iii) Tenant and its subtenants have had a full and fair opportunity to review and understand the terms of the Local Hiring Policy.

## **22.26 Local Hiring Requirements for Special Events.**

Unless exempt, if Tenant has a special event on the premises, Tenant must comply with all applicable provisions of the San Francisco Local Hiring Policy in the performance of construction activities during the set-up, execution and strike of Events of four (4) or more consecutive or non-consecutive days. Before starting any Construction Work for Special Events covered under the Local Hiring Policy, Event Sponsor shall contact the City's Office of Economic Workforce and Development ("OEWD") to verify the Local Hiring Policy requirements that apply to the Special Event, and Event Sponsor shall comply with all such requirements. Failure to comply with the obligations in this subsection shall constitute a material breach and may subject Event Sponsor to the consequences of noncompliance specified in the Local Hiring Policy, including but not limited to penalties.

- (1) For construction work on events covered by the Local Hiring Policy that exceed \$400,000, a budget of construction activities must be submitted with this application for review

by OEWD.

(2) Contractors shall comply with the applicable mandatory participation levels for Project Work Hours performed by Local Residents, Disadvantaged Workers, and Apprentices as set forth in Section 6.22(G)(4).

(3) Contractors shall comply with applicable recordkeeping and reporting requirements and shall cooperate in City inspections and audits for compliance with the Local Hiring Policy, including allowing access to employees of its contractors and subcontractors and other witnesses at the Premises.

**22.27. Bottled Drinking Water.** Unless exempt, Tenant agrees to comply fully with and be bound by all of the provisions of the San Francisco Bottled Water Ordinance, as set forth in San Francisco Environment Code Chapter 24, including the administrative fines, remedies, and implementing regulations provided therein, as the same may be amended from time to time. The provisions of Chapter 24 are incorporated herein by reference and made a part of this Lease as though fully set forth.

Landlord and Tenant have executed this Lease in triplicate as of the date first written above.

**TENANT:**

**ABDO ALI NASSER, a sole proprietor,  
DBA ISLAND MARKET & DELI**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**LANDLORD:**

**TREASURE ISLAND DEVELOPMENT  
AUTHORITY**

By: \_\_\_\_\_

Robert P. Beck  
Treasure Island Director

**APPROVED AS TO FORM:**

**DENNIS J. HERRERA, City Attorney**

By: \_\_\_\_\_  
Deputy City Attorney

Sublease Prepared By: Richard A. Rovetti, Deputy Director of Real Estate \_\_\_\_\_  
(initial)

EXHIBIT A

DIAGRAM OF PREMISES

**EXHIBIT A1**

**NAVY DEED**

EXHIBIT B

COVER PAGE OF THE SEISMIC REPORT

**EXHIBIT C**

**RULES AND REGULATIONS**

1. All rules and regulations set out in the Lease shall prevail.
2. No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of Landlord.
3. Tenant's contractors and invitees, while on the Premises or Tenant's parking area, shall be subject to these Rules and Regulations, and will be subject to direction from Landlord and its agents, but will not be an agent or contractor of the Landlord or its agents. Tenant's contractors shall be licensed by the State, insured and bonded at the amount requested by the Landlord.
4. Tenant shall install and maintain at Tenant's expense, any life safety equipment required by governmental rules, regulations or laws to be kept on the Premises.

**EXHIBIT D**

**STANDARD UTILITIES AND SERVICES AND RATES**

Included

## **EXHIBIT E**

### **TIHDI WORKFORCE HIRING PLAN**

#### **TIHDI Job Broker Program Requirements for Island Tenants**

As part of the workforce hiring goals for Treasure Island, the Treasure Island Development Authority's (TIDA) requires that Island commercial tenants are to make good faith efforts to fill appropriate available on-Island positions through the Treasure Island Homeless Development Initiative (TIHDI) TIHDI Job Broker Program (TJBP). All new non-supervisory positions created by on-Island commercial tenants and businesses should be opened to consideration of TJBP candidates, and San Francisco residents should account for a majority of all new hires by on-Island commercial tenants and businesses.

In order to help commercial tenants reach these goals, the TJBP provides free and immediate access to San Francisco's extensive non-profit employment & training programs and to a resource pool of individuals with varied skill levels and work experience backgrounds.

Through the TJBP, a job description and set of qualification requirements for the new or open position is distributed to the TJBP's network of employment service agencies on behalf of the commercial tenant. Appropriate candidates from these agencies are then referred to the commercial tenant for interviewing. All of the TJBP referrals are required to meet universal standards of job readiness.

To effectively implement the Good Faith provisions of the TJBP, commercial tenants are asked to provide TIHDI with a written plan, list available jobs with TIHDI prior to public advertisement, consider TJBP referrals, and establish an ongoing relationship with the TJBP.

Additionally, if a commercial tenant does not anticipate making any new hires, it can meet its requirements under the TJBP by contracting with one of the two on-Island social enterprise operations: Toolworks Janitorial Services and/or Rubicon Programs Landscaping. Contact the TIHDI Job Broker for these services and for further information on the TIHDI Job Broker System to discuss and develop your workforce hiring plan.

For further information on the TIHDI Job Broker Program, please contact:

**Noel Santos**  
**TIHDI Job Broker**  
**(415) 274-0311 ex. 302**  
**[nsantos@tihdi.org](mailto:nsantos@tihdi.org)**



1 [Interim Subleasing Policy and Minimum Monthly Rental Rate Schedule]

2 **Resolution Approving Fiscal Year 2015/16 Minimum Monthly Rental Rate Schedule.**

3       **WHEREAS**, Former Naval Station Treasure Island is a military base located on  
4 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by  
5 the United States of America, acting by and through the Department of the Navy; and,

6       **WHEREAS**, The Base was selected for closure and disposition by the Base  
7 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its  
8 subsequent amendments; and,

9       **WHEREAS**, Under the Treasure Island Conversion Act of 1997, which amended  
10 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter  
11 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority  
12 as a redevelopment agency under California redevelopment law with authority over the Base  
13 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the  
14 Base which are subject to Tidelands Trust, vested in the Authority the authority to administer  
15 the public trust for commerce, navigation and fisheries as to such property; and,

16       **WHEREAS**, The Board of Supervisors approved the designation of the Authority as a  
17 redevelopment agency for Treasure Island in 1997; and,

18       **WHEREAS**, On January 24, 2012, the Board of Supervisors rescinded designation of  
19 the Authority as the redevelopment agency for Treasure Island under California Community  
20 Redevelopment Law in Resolution No. 11-12; and that such rescission does not affect  
21 Authority's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust  
22 trustee for the portions of Treasure Island subject to the Tidelands Trust, or any of the other  
23 powers or authority; and,

1           **WHEREAS**, On July 11, 2007, the Authority Board of Directors (Resolution No. 07-54-  
2 07/11) approved an Interim Subleasing Policy which standardizes the subleasing process for  
3 the interim month to month subleases while assuring that there is consistency, transparency  
4 and full disclosure to the Authority and the public by the use of a pre-approved body of  
5 subleasing parameters that include a boilerplate sublease, business terms and minimum  
6 rental rates to guide Project Staff in sublease negotiations while assuring compliance with  
7 Board policy; and,

8           **WHEREAS**, On May 29, 2015, the Navy transferred all of its property on Yerba Buena  
9 Island and portions of Treasure Island to the Authority resulting in the Authority and the Office  
10 of the City Attorney developing a new "lease" template representing the Authority as landlord  
11 to be used for tenants within these transferred property areas; and,

12           **WHEREAS**, The terms sublease, lease, and use permit (hereafter referred to as the  
13 "lease") shall refer to the lease for properties listed on the Minimum Monthly Rental Rate  
14 Schedule attached to the Interim Subleasing / Leasing Policy, and use permits are used for  
15 those properties on the Minimum Monthly Rental Rate Schedule that are subject to a Navy  
16 License Agreement instead of a Navy Master Lease; and,

17           **WHEREAS**, Under the Interim Subleasing / Leasing Policy, the Treasure Island  
18 Director may approve and execute subleases and leases on behalf of the Authority, provided  
19 that the terms of said agreements meet certain parameters as found in the Authority's Interim  
20 Subleasing / Leasing Policy, including compliance with the Minimum Monthly Rental Rate  
21 Schedule; and,

22           **WHEREAS**, The Minimum Monthly Rental Rate Schedule also includes a list of  
23 existing subleases, leases and use permits (the "Non-Parameter Subleases and Use  
24 Permits") that the Authority Board previously approved because they did not fall within the  
25

1 parameters set forth in the Interim Subleasing / Leasing Policy for subleases, leases and use  
2 permits that can be executed by the Treasure Island Director without Authority Board  
3 approval; and,

4           **WHEREAS**, The Interim Subleasing / Leasing Policy allows for renewals of existing  
5 subleases / leases at rental rates adjusted between 2% and 5% based on the change in the  
6 local Consumer Price Index, as well as general and local market conditions; and,

7           **WHEREAS**, Authority staff proposes to enter into new subleases, leases or use  
8 permits, or amendments to the existing subleases, leases or use permits, with each of the  
9 existing subtenants/tenants, including the subtenants/tenants listed on the Minimum Monthly  
10 Rental Rate Schedule as Non-Parameter Subleases/Leases, on a month to month basis  
11 through November 30, 2016 at a rental rate no less than the current rent payable under each  
12 sublease increased by 2% or on the same terms and conditions set forth in the existing  
13 sublease / Lease agreements; Now, Therefore, Be It

14           **RESOLVED**, That the Authority Board approves and adopts the changes to the  
15 2015/16 Minimum Monthly Rental Rate Schedule in substantially the form attached as Exhibit  
16 A; and, be it

18           **FURTHER RESOLVED**, That the 2015/16 Minimum Monthly Rental Rate Schedule  
19 supersedes the Minimum Monthly Rate Schedule adopted by the Authority Board on  
20 September 10, 2014 pursuant to Resolution No. 14-39-09/10, which shall have no further  
21 effect on the terms, conditions, rules and procedures for subleasing / leasing properties on the  
22 Base; and, be it

23           **FURTHER RESOLVED**, That the Authority Board authorizes the Treasure Island  
24 Director to execute new subleases, leases, and use permits, or amendments to the existing  
25 sublease and lease agreements and use permits, with each of the existing subtenants/tenant,

1 including the subtenants/tenants listed on the Minimum Monthly Rental Rate Schedule as  
2 Non-Parameter Subleases/Leases, on a month-to-month term through November 30, 2016 at  
3 a rental rate of no less than the current rent payable under the existing sublease increased by  
4 a minimum of 2% and otherwise on the same terms and conditions set forth in the existing  
5 subleases/leases.

## CERTIFICATE OF SECRETARY

8 I hereby certify that I am the duly elected Secretary of the Treasure Island  
9 Development Authority, a California nonprofit public benefit corporation, and that the  
10 above Resolution was duly adopted and approved by the Board of Directors of the  
11 Authority at a properly noticed meeting on November 18, 2015.

Jean-Paul Samaha, Secretary





**AGENDA ITEM 6c**  
**Treasure Island Development Authority**  
**City and County of San Francisco**  
**Meeting of November 18, 2015**

**Subject:** Resolution Approving and Authorizing the Execution of Lease No. 1,009 with LIFE LEARNING ACADEMY, INC. a California non-profit corporation for Building 229, Treasure Island, San Francisco, CA.

**Contact:** Richard A. Rovetti, Deputy Director of Real Estate

**Phone:** 415-274-3365

**BACKGROUND**

Since 1998, The Delancey Street Foundation, a California non-profit corporation (“Delancey Street”) has leased Building 229 and the adjacent outdoor space from the Treasure Island Development Authority (the “Authority”) for the operation of the Life Learning Academy (LLA), a San Francisco Unified School District (“SFUSD”) charter high school. LLA is a diploma-granting SFUSD charter school designed to serve 60 at-risk high-school aged youths. In addition to general academic subjects including math, science and language arts, the school provides culinary training and the opportunity to learn organic gardening.

On May 29, 2015, the United States of America, acting by and through the Department of Navy (“Navy”) transferred all of its property on Yerba Buena Island and portions of Treasure Island to the Authority which includes the LLA’s existing Premises. LLA’s Premises is within the 4<sup>th</sup> phase of construction activity planned under the master Treasure Island Development Project, and as a result is not anticipated to be affected for several years. Therefore, the Authority is seeking to enter into a five (5) year lease with LLA.

Additionally, LLA is requesting to develop a Life Learning Boarding Academy to serve up to 16 students within its premises located at Building 229 on Treasure Island using modular dormitories to house these 16 high school students.

Under the proposed Lease, the LLA is requesting a five (5) year lease commencing on December 1, 2015 and expiring November 30, 2020 for Parcel A: approximately 20,723 square feet of classroom and office space; and Parcel B: approximately 30,000 square feet of unpaved land located adjacent to Building 229, Treasure Island.

## **LEASE TERMS AND CONDITIONS**

LLA will sign the Authority's standard form Lease document. The salient terms and conditions of the proposed Lease include the following:

Premises	Parcel A: approximately 20,723 square feet of classroom and office space located at Building 229; and Parcel B: approximately 30,000 square feet of unpaved land located adjacent to Building 229, including the improvements thereon, on Treasure Island, San Francisco, California.
Location:	Building 229
Commencement Date:	December 1, 2015
Lease Expiration Date:	November 30, 2020
Lease Term:	Five (5) Years
Base Rent:	Base Rent is waived. LLA will pay, as Additional Charges, Seven Hundred and Sixty Five Dollars (\$765.00) per month as LLA's contribution for expenses paid or incurred by Landlord in connection with the ownership, operation, maintenance, repair and management of the common areas, including but not limited to the streets, sidewalks, walkways, driveways, curbs, and lighting systems, throughout Treasure Island.
Use:	Operation of a full service charter high school, LLA use only and for no other purpose. This includes classroom space, office space, dormitory housing, counseling rooms, workshop and lab space, outdoor garden space, and parking areas.
Security Deposit:	Waived

### **PROPOSED MONTHLY BASE RENT**

Under the Authority's Interim Subleasing Policy, the Minimum Rental Rate Schedule sets ranges of minimum lease rental rates per square foot by type of use and facility for office and industrial space. Authority Staff reviews and analyzes available commercial data including market comparables of properties similarly situated to the Authority properties and evaluates the Authority transactions over the past 12 months to establish fair market value. The Authority Board last approved the Minimum Rental Rate Schedule on September 10, 2014.

The Leasing Policy has established a Minimum Rental Rate of \$0.05 PSF for use of unpaved land as industrial yards, and \$0.50 PSF for Building 229. LLA has requested a Lease that would allow them to maintain and utilize the Premises as a charter high school. Given the community benefits associated with the LLA, LLA will be provided space on Treasure Island at no base rent, subject to the condition that LLA will assume all responsibility for maintenance and repairs, and LLA will participate in the contribution for expenses paid or incurred by the Authority in connection with the ownership, operation, maintenance, repair and management of the common areas, including but not limited to the streets, sidewalks, walkways, driveways, curbs, lighting systems and security services, throughout Treasure Island.

### **FINANCIAL IMPACT**

Neither revenue, nor capital expenditures were budgeted for this facility for FY 2015-2016. This transaction will have no impact on the FY 2015-2016 budget.

### **RECOMMENDATION**

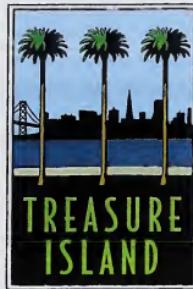
The Authority Staff recommends that the Authority Board of Directors approve the proposed Lease with the Life Learning Academy, Inc., a California non-profit corporation, and authorize the Treasure Island Director or his designee to execute said Lease for Parcel A: approximately 20,723 square feet of classroom and office space; and Parcel B: approximately 30,000 square feet of unpaved land located adjacent to Building 229, Treasure Island, for a five (5) year term and subject to the additional terms and conditions set forth above.

### **EXHIBIT**

EXHIBIT A – Lease between the Treasure Island Development Authority and Life Learning Academy, Inc., a California non-profit corporation

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate  
For: Robert P. Beck, Treasure Island Director





LEASE No. 1,009

between

**TREASURE ISLAND DEVELOPMENT AUTHORITY**

as Landlord

and

**LIFE LEARNING ACADEMY, INC**  
a California non-profit corporation

as Tenant

For the Lease of

**Building 229  
651 8th Street**

---

**Treasure Island Naval Station  
San Francisco, California**

December 1, 2015

## TREASURE ISLAND LEASE

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EXHIBIT A –	Diagram of Premises
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EXHIBIT C –	Rules and Regulations
EXHIBIT D –	Utilities
EXHIBIT E –	TIHDI Work Force Hiring Plan

## TREASURE ISLAND LEASE

THIS LEASE (the "Lease"), dated for reference purposes only as of December 1, 2015, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit nonprofit corporation ("Landlord"), and LIFE LEARNING ACADEMY, INC. a California non-profit corporation ("Tenant"). From time to time, Landlord and Tenant together shall be referred to herein as the "Parties".

This Lease is made with reference to the following facts and circumstances:

A. Landlord owns portions of the property known as the Naval Station Treasure Island (the "Property"). Landlord acquired the property from the U.S. Navy in accordance with the deed attached hereto as Exhibit A-1 (the "Navy Deed").

B. Tenant desires to lease from Landlord, and Landlord is willing to lease to Tenant, a portion of the Property on the terms and conditions contained in this Lease.

NOW THEREFORE, Landlord and Tenant hereby agree as follows:

### **1. BASIC LEASE INFORMATION**

The following is a summary of basic lease information (the "Basic Lease Information"). Each item below shall be deemed to incorporate all of the terms of this Lease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Lease, the more specific provision shall control.

Lease Reference Date: December 1, 2015

Landlord: TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit nonprofit corporation

Tenant: LIFE LEARNING ACADEMY, INC. a California non-profit corporation

Leased Premises (Section 2.1):

Parcel A: approximately Twenty Thousand Seven Hundred and Twenty Three (20,723) square feet of classroom and office space located at Building 229; and Parcel B: approximately Thirty Thousand (30,000) square feet of unpaved land located adjacent to Building 229, including the improvements thereon, on Treasure Island, San Francisco, California, as more particularly shown on Exhibit B, attached hereto.

Facility:

Building 229

Term: (Section 3.1):

Commencement date: December 1, 2015  
Expiration date: November 30, 2020

Base Rent (Section 4.1):

Base Rent is waived. Tenant will pay, as Additional Charges, Seven Hundred and Sixty Five Dollars (\$765.00) per month as Tenant's contribution for expenses paid or incurred by Landlord in connection with the ownership, operation, maintenance, repair and management of the common areas, including but not limited to the streets, sidewalks, walkways, driveways, curbs, and lighting systems, throughout Treasure Island.

Rent Adjustment Date(s) (Section 4.2):

Not applicable

Rent Increase Percentage (Section 4.2):

Not applicable

Use (Section 6.1):

Operation of a full service charter high school, Life Learning Academy use only and for no other purpose. This includes classroom space, office space, dormitory housing, counseling rooms, workshop and lab space, outdoor garden space, and parking areas.

Security Deposit (Section 18.3):

Waived

Notice Address of Landlord (Section 20.1):

Treasure Island Development Authority  
Treasure Island Project Office  
One Avenue of Palms  
Building 1, 2nd Floor  
Treasure Island  
San Francisco, CA 94130

Attn: Robert P. Beck  
Treasure Island Director  
Fax No.: 415-274-0299  
with a copy to:

Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Attn: Charles Sullivan  
Fax No.: (415) 554-4755

Notice Address of Tenant (Section 20.1):

LIFE LEARNING ACADEMY, INC.  
600 The Embarcadero  
San Francisco, CA 94107

Attn: Craig Miller

Telephone No. (415) 397-8957  
Fax No. (415) 397-9274  
Email. [cmiller@lifelearningacademysf.org](mailto:cmiller@lifelearningacademysf.org)

## 2. PREMISES

**2.1. Leased Premises.** Subject to the terms, covenants and conditions of this Lease, Landlord leases to Tenant the Premises. Tenant shall have the non-exclusive right to use, together with other tenants in the Facility, the lobbies, corridors, elevators, stairways and other public areas of the Facility and the Property (collectively, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Facility and the Property.

In the event Tenant uses or occupies space outside the Premises without the prior written consent of Landlord (the "Encroachment Area"), then upon written notice from Landlord ("Notice to Vacate"), Tenant shall immediately vacate such Encroachment Area and pay as additional rent for each day Tenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Landlord's Board of Directors for the Premises or the Facility, or (b) then current fair market rent for such Encroachment Area, as reasonably

determined by Landlord (the "Encroachment Area Charge"). If Tenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period shall be prorated based on a thirty (30) day month. In no event shall acceptance by Landlord of the Encroachment Area Charge be deemed a consent by Landlord to the use or occupancy of the Encroachment Area by Tenant or a waiver (or be deemed as waiver) by Landlord of any and all other rights and remedies of Landlord under this Lease (including Tenant's obligation to indemnify, defend and hold Landlord harmless as set forth in the last paragraph of this Section 2.1), at law or in equity.

In addition to the foregoing amount, Tenant shall pay to Landlord, as additional rent, an amount equaling Two Hundred Dollars (\$200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Landlord determines during subsequent inspection(s) that Tenant has failed to vacate the Encroachment Area, then Tenant shall pay to Landlord, as additional rent, an amount equaling Three Hundred Dollars (\$300.00) for each additional Notice to Vacate, if applicable, delivered by Landlord to Tenant following each inspection. The parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Landlord will incur by reason of Landlord's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Tenant's failure to comply with the applicable Notice to Vacate and Landlord's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights and remedies of Landlord under this Lease, at law or in equity. The amounts set forth in this Section 2.1 shall be due within three (3) business days following the applicable Notice to Vacate and/or separate invoice relating to the actual cost associated with a survey of the Encroachment Area.

In addition to the rights and remedies of Landlord as set forth in the immediately foregoing two paragraphs of this Section 2.1, the terms and conditions of the indemnity and exculpation provision set forth in Section 15 below shall also apply to Tenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Tenant shall additionally indemnify, defend and hold Landlord harmless from and against any and all loss or liability resulting from delay by Tenant in so surrendering the Encroachment Area including, without limitation, any loss or liability resulting from any claims against Landlord made by any tenant or prospective tenant founded on or resulting from such delay and losses to Landlord due to lost opportunities to lease any portion of the Encroachment Area to any such tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 2.1 and the reasonableness of the amount of the charges described in this Section 2.1.

Initials: \_\_\_\_\_ Landlord \_\_\_\_\_ Tenant

**2.2. As Is Condition of Premises.**

(a) **Inspection of Premises.** Tenant represents and warrants that Tenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Tenant's Agents"), of the Premises and the suitability of the Premises for Tenant's intended use. Tenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Tenant acknowledges its receipt and review of the Seismic Report referenced in Section 2.2(c) below and the Joint Inspection Report.

(b) **As Is; Disclaimer of Representations.** Tenant acknowledges and agrees that the Premises are being leased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Lease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Tenant acknowledges and agrees that neither Landlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Landlord's Agents") have made, and Landlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Tenant's use and permitted under this Lease, (v) the safety of the Premises, whether for the use by Tenant or any other person, including Tenant's Agents or Tenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or Tenants ("Tenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) **Seismic Report.** Without limiting Section 2.2(b) above, Tenant expressly acknowledges for itself and Tenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning,

and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Tenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

(d) **Navy Deed.** Tenant understands that the Navy made certain disclosures and retained certain rights in and to the Premises, as set forth in the Navy Deed. The Navy has the right to perform any remedial actions that may be necessary to protect human health and the environment with respect to any hazardous substance in or around the Premises in accordance with the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9620(h)(3)(A)(ii)(I), and has the right to take some or all of the Premises as may be needed in connection therewith. This Lease is subject and subordinate to the Navy's rights under the Navy Deed, and Tenant acknowledges that Landlord shall have the right to suspend or terminate this Lease, without payment to Tenant, if Navy requires use of the Premises as set forth in the Navy Deed.

### 3. TERM

3.1. **Term of Lease.** The term of this Lease (the "Term") shall commence on the Commencement Date set forth in the Basic Lease Information, and expire on the Expiration Date set forth in the Basic Lease Information, unless sooner terminated pursuant to the terms of this Lease.

3.2. **Effective Date.** This Lease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Lease, (ii) Landlord's Board of Director's approval of this Lease at a duly noticed meeting, if such approval is required, or (iii) the Commencement Date.

3.3. **Termination.** As set forth in the Basic Lease Information (Term), either Landlord or Tenant, each in their sole discretion, may terminate this Lease for any reason without liability or expense upon delivery of not less than thirty (30) days' prior written notice to the other party. Tenant agrees and shall be required to surrender possession of the Premises by the end of such thirty (30) day period.

3.4. **No Relocation Assistance.** Tenant acknowledges that Tenant has previously been informed that the Property subject to this Lease is part of an area that is proposed for redevelopment and that this Lease may be terminated by Landlord or Tenant may be required to move from the Property to accommodate the redevelopment project. Tenant acknowledges that,

if this Lease is terminated or Tenant is asked to move, it will not be a displaced person as that term is defined under the California Government Code Section 7260 et seq. ("California Relocation Act") and the Uniform Relocation Assistance and Real Property Policies Act, 42 U.S.C. 4601 et seq. ("URA"), and that Tenant will not be entitled to any relocation benefits provided under the California Relocation Act and the URA, including any moving expenses, reimbursement for costs associated with increased rent, loss of goodwill or other costs related to the termination of Tenant's Lease and Tenant's relocation from the Premises. Tenant fully RELEASES AND DISCHARGES forever any and all claims against, and covenants not to sue, Landlord, its departments, commissions, officers, directors and employees, agents, contractors and successors and assigns and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Landlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq., and the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. 4601, et seq.). Tenant understands and acknowledges that Landlord would not be willing to enter into this Lease without Tenant's agreement that it is not entitled to any relocation benefits or assistance.

Initials: \_\_\_\_\_ Tenant

#### 4. RENT

**4.1. Base Rent.** Throughout the Term, beginning on the Commencement Date, Tenant shall pay to Landlord Base Rent in the amount set forth in the Basic Lease Information. Base Rent shall be paid to Landlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Landlord provided in Section 20.1 hereof or such other place as Landlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Lease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

**4.2. Adjustments in Base Rent.** If this Lease has not been terminated, then on each Rent Adjustment Date set forth in the Basic Lease Information, the Base Rent shall be increased by the Rent Increase Percentage set forth in the Basic Lease Information.

**4.3. Additional Charges.** In addition to Base Rent, Tenant shall pay all other charges related to the Premises otherwise payable by Tenant to Landlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Tenant hereunder, all utility charges, and any amounts other than Base Rent that shall become due and payable by Tenant under this Lease (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

**4.4. Late Charge.** If Tenant fails to pay any Rent within ten (10) days after the date the same

is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Landlord and Tenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Landlord will incur as a result of any such failure by Tenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Landlord for its damages resulting from such failure to pay and Tenant shall promptly pay such charge to Landlord together with such unpaid amount.

**4.5. Default Interest.** If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Tenant nor on any amounts on which late charges are paid by Tenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Tenant.

## **5. TAXES, ASSESSMENTS AND OTHER EXPENSES**

### **5.1. Taxes and Assessments, Licenses, Permit Fees and Liens.**

(a) **Payment Responsibility.** Tenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Tenant's Personal Property, or Tenant's use of the Premises or any Alterations during the Term. Tenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Landlord receives the tax bill directly from the taxing authority, Tenant shall reimburse Landlord for payment of such sums immediately upon demand.

(b) **Taxability of Possessory Interest.** Without limiting the foregoing, Tenant recognizes and agrees that this Lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens.** Tenant shall not allow or suffer a lien for any taxes payable by Tenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) **Reporting Information.** Tenant agrees to provide such information as Landlord may request to enable Landlord to comply with any possessory interest tax reporting requirements applicable to this Lease.

**5.2. Evidence of Payment.** Tenant shall, upon Landlord's request, furnish to Landlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Landlord, evidencing payment thereof.

## **6. USE; COVENANTS TO PROTECT PREMISES**

**6.1. Tenant's Permitted Use.** Tenant may use the Premises for the Permitted Use set forth in the Basic Lease Information, but for no other purpose without the prior written consent of Landlord, which consent may be given or withheld in Landlord's sole and absolute discretion.

**6.2. Tenant's Access to the Premises.** Tenant shall have access to the Premises on a twenty four (24) hours per day, seven (7) days per week basis.

**6.3. Rules and Regulations.** Tenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Landlord from time to time.

**6.4. Easements.** This Lease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Landlord shall determine to be in the public interest ("Additional Easements"); provided that, Landlord shall use its best efforts to minimize any interference with Tenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Tenant for such damages as Tenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

**6.5. No Interference with Navy Operations.** Tenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Navy's operations or environmental clean-up or restoration actions by the Navy, Landlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Tenant's use of the Premises in the event of any conflict; provided, however, in such event, Navy and Landlord shall use their best efforts to minimize any disruption of Tenant's operation.

**6.6. No Unlawful Uses, Nuisances or Waste.** Without limiting the foregoing, Tenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Tenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises. Tenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

## **7. ALTERATIONS**

**7.1. Alterations.** Tenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Landlord's prior written consent in each instance, which consent may be given or withheld in Landlord's sole and absolute discretion. Subject to Landlord's consent as provided above, any Alterations shall be done at Tenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Landlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Landlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Landlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Tenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Landlord. No material change from the plans and specifications for any Alterations approved by Landlord may be made without Landlord's prior consent. Landlord and Landlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

**(a) Asbestos-Containing Materials.** Without limiting Section 24.2 (No Hazardous Materials) below, in the event that asbestos-containing materials ("ACM") are determined to exist in or about the Premises, Tenant shall ensure that all Alterations and any asbestos related work, as defined in California Health & Safety Code Section 25914.1(b), is performed in compliance with all laws relating to asbestos, including but not limited to California Occupational Safety and Health (OSHA) regulations found in Title 8 of the California Code of Regulations, Sections 1502 and 1529. Additionally, Tenant shall distribute notifications to all employees and contractors as required pursuant to California Health & Safety Code Section 25915 et seq. informing them of the existence of ACM and that moving, drilling, boring, or otherwise disturbing ACM may present a health risk and should not be attempted by an unqualified employee. No Alterations affecting ACM-containing areas or any asbestos related work shall be performed without Landlord's prior written consent in each instance.

**(b) Tenant's Improvements or Alterations that Disturb or Remove Lead Based Paint.** Tenant shall comply with all requirements of the San Francisco Building Code, Section 3407, and all other applicable present or future federal, state, local and administrative laws, rules, regulations, orders and other governmental requirements, the requirements of any board of fire

underwriters or other similar body, any directive or occupancy certificate issued pursuant to any law by any public officer or officers acting in their regulatory capacity (collectively, "Laws"), including, without limitation, the California and United States Occupational Health and Safety Acts and their implementing regulations, when the work of improvement or alteration disturbs or removes exterior lead-based or "presumed" lead-based paint (as defined below). Tenant shall give to Landlord three (3) business days prior written notice of any disturbance or removal of exterior lead-based or presumed lead-based paint. Further, Tenant, when disturbing or removing exterior lead-based or presumed lead-based paint, shall not use or cause to be used any of the following methods: (a) acetylene or propane burning and torching; (b) scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter ("HEPA") local vacuum exhaust tool; (c) hydroblasting or high pressure wash without containment barriers; (d) abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and (e) heat guns operating above 1,100 degrees Fahrenheit. Paint on the exterior of buildings built before December 31, 1978, is presumed to be lead-based paint unless lead-based paint testing, as defined in Section 3407 of the San Francisco Building Code, demonstrates an absence of lead-based paint on the exterior surfaces of such buildings. Under this Section, lead based paint is "disturbed or removed" if the work of improvement or alteration involves any action that creates friction, pressure, heat or a chemical reaction upon any lead-based or presumed lead-based paint on an exterior surface so as to abrade, loosen, penetrate, cut through or eliminate paint from that surface. Notice to Landlord under this Lease shall not constitute notice to the City's Department of Building Inspection required under Section 3407 of the San Francisco Building Code.

**7.2. Historic Properties.** Without limiting the generality of the foregoing, Tenant acknowledges and agrees that no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Landlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

**7.3. Ownership of Alterations.** Any Alterations constructed on or affixed to the Premises by or on behalf of Tenant pursuant to the terms and limitations of this Section 7 shall be and remain Tenant's property during the Term. Upon the termination of this Lease, Tenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 18 hereof, unless Landlord, at its sole option and without limiting any of the provisions of Section 7.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Lease.

**7.4. Tenant's Personal Property.** All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Tenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Tenant's Personal Property") shall be and remain the property of Tenant and shall be removed by Tenant, subject to the provisions of Section 19 hereof. Tenant shall be solely

responsible for providing any security or other protection of or maintenance to Tenant's Personal Property.

**7.5. Landlord's Alterations.** Landlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

## **8. REPAIRS AND MAINTENANCE**

**8.1. Tenant Responsible for Maintenance and Repair.** Tenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Landlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Landlord be liable for any portion of the cost thereof. Tenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Landlord's reasonable satisfaction, provided, however, that neither Tenant nor Landlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Tenant or Tenant's Agents or Tenant's Invitees hereunder, Tenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

**8.2. Utilities.** Landlord shall provide the basic utilities and services described in the attached Exhibit E (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Tenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Tenant may need for its use of the Premises. Tenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

**8.3. Landscape.** Landlord shall maintain the exterior landscaping of the Premises in good condition and repair.

**8.4. Janitorial Services.** Tenant shall provide all janitorial services for the Premises.

**8.5. Pest Control.** Tenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

**8.6. Trash.** Tenant shall deposit all trash into designated containers in the Premises in

compliance with the Rules and Regulations attached hereto as Exhibit D. Tenant shall pay for the removal of trash from the designated containers. Tenant shall abide by all rules established by Landlord for the handling of trash.

**8.7. No Right to Repair and Deduct.** Tenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Tenant to make repairs or replacements at Landlord's expense, or to terminate this Lease because of Landlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Tenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Tenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Tenant to terminate this Lease and with respect to any obligations of Landlord hereunder or any right of Tenant to make repairs or replacements and deduct the cost thereof from Rent.

## 9. LIENS

**10.1. Liens.** Tenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Tenant. In the event Tenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Landlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Landlord by Tenant upon demand. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Landlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Tenant shall give Landlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

## 10. COMPLIANCE WITH LAWS

**10.1. Compliance with Laws.** Tenant shall promptly, at its sole expense, maintain the Premises and Tenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Tenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Tenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Tenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq. and Title 24 of the California Code of Regulations, all present and future

Environmental Laws (as defined in this Lease below), and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Tenant any right to seek redress against Landlord for failing to comply with any Laws. Tenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Landlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

#### **10.2. Regulatory Approvals; Responsible Party.**

Tenant understands and agrees that Tenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Tenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Tenant shall not seek any regulatory approval without first obtaining the written consent of Landlord. Tenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Tenant, and Landlord shall have no liability, monetary or otherwise, for any such fines or penalties. Tenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Landlord, and City, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Tenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

**10.3. Compliance with Landlord's Risk Management Requirements.** Tenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Landlord from any potential premises liability. Tenant shall faithfully observe, at its expense, any and all reasonable requirements of Landlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

#### **11. ENCUMBRANCES**

Notwithstanding anything to the contrary contained in this Lease, Tenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Landlord's or Tenant's interest under this Lease.

## 12. DAMAGE OR DESTRUCTION

**12.1. Damage or Destruction to the Premises.** In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Tenant or Tenant's Agents or Tenant's Invitees, (ii) is not covered by the insurance described in Section 16 below, (iii) prevents Tenant from operating the Premises for the purposes stated herein, and (iv) costs more to repair than the Repair amount set forth in the Basic Lease Information, either party may terminate this Lease upon thirty (30) days prior written notice and upon any such termination Tenant shall surrender the Premises in accordance with Section 18 (except for damage caused by a casualty pursuant to which this Lease may be terminated under this Section 12.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Lease as provided in this Section 12.1, then Tenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 7.1 above. Under no circumstances shall Landlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

**12.2. No Abatement in Rent.** In the event of any damage or destruction to the Premises, and if neither party terminates this Lease as provided in Section 12.1 above, there shall be no abatement in the Rent payable hereunder.

**12.3. Waiver.** The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Landlord and Tenant each hereby waives and releases any right to terminate this Lease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

## 13. ASSIGNMENT AND SUBLetting

**13.1. Restriction on Assignment and Subletting.** Tenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Tenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, Lease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Lease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Landlord's prior written consent in each instance, which Landlord may grant or withhold in its sole and absolute

discretion. Tenant shall provide Landlord with a written notice of its intention to Transfer this Lease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Tenant shall provide Landlord with such information regarding the proposed Transfer as Landlord may reasonably request.

**13.2. Bonus Rental.** If Landlord consents to a Transfer of any of Tenant's interest in or rights with respect to the Premises pursuant to Section 13.1 above, then one hundred percent (100%) of any rent or other consideration payable to Tenant in excess of the Base Rent payable hereunder (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) shall be paid to Landlord immediately upon receipt by Tenant.

#### 14. DEFAULT; REMEDIES

**14.1. Events of Default.** Any of the following shall constitute an event of default ("Event of Default") by Tenant hereunder:

- (a) **Failure to Pay Rent**. Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;
- (b) **Covenants, Conditions and Representations**. Any failure to perform or comply with any other covenant, condition or representation made under this Lease; provided, Tenant shall have a period of ten (10) days from the date of written notice from Landlord of such failure within which to cure such default under this Lease, or, if such default is not capable of cure within such 10-day period, Tenant shall have a reasonable period to complete such cure if Tenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Landlord;
- (c) **Vacation or Abandonment**. Any abandonment of the Premises for more than fourteen (14) consecutive days;
- (d) **Bankruptcy**. The appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted; and
- (e) **Notices of Default**. The delivery to Tenant of three (3) or more notices of default within any twelve (12) month period, irrespective of whether Tenant actually cures such default within the specified time period, may, in the sole and absolute discretion of the Authority, be deemed an incurable breach of this Lease allowing the Authority to immediately terminate this Lease without further notice or demand to Tenant.

**14.2. Remedies.** Upon the occurrence of an Event of Default by Tenant, Landlord shall have the following rights and remedies in addition to all other rights and remedies available to Landlord at Law or in equity:

(a) **Terminate Lease and Recover Damages.** The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Tenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Tenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Landlord's efforts to mitigate the damages caused by Tenant's breach of this Lease shall not waive Landlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver.** The right to have a receiver appointed for Tenant upon application by Landlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Landlord pursuant to this Lease.

**14.3. Landlord's Right to Cure Tenant's Defaults.** If Tenant defaults in the performance of any of its obligations under this Lease, then Landlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Landlord where prior notice by Landlord is impractical), remedy such Event of Default for Tenant's account and at Tenant's expense. Tenant shall pay to Landlord, as Additional Charges, promptly upon demand, all sums expended by Landlord, or other costs, damages, expenses or liabilities incurred by Landlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Tenant's obligations under this Section shall survive the termination of this Lease. Nothing herein shall imply any duty of Landlord to do any act that Tenant is obligated to perform under any provision of this Lease, and Landlord's cure or attempted cure of Tenant's Event of Default shall not constitute a waiver of Tenant's Event of Default or any rights or remedies of Landlord on account of such Event of Default.

## **15. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION**

**15.1. Release and Waiver of Claims.** Tenant, on behalf of itself and Tenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Tenant for, and, to the fullest extent allowed by any Laws, Tenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Tenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Tenant's uses hereunder. Landlord would not be willing to enter into this Lease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Tenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Tenant or other waivers contained in this Lease and as a material part of the consideration for this Lease, Tenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Lease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Tenant pursuant to this Lease regardless of the cause.

(b) Without limiting any indemnification obligations of Tenant or other waivers contained in this Lease and as a material part of the consideration for this Lease, Tenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Landlord terminates this Lease because of such claim for inverse condemnation or eminent domain.

(c) As part of Tenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Tenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Tenant's intended use.

(d) Tenant acknowledges that it will not be a displaced person at the time this Lease is terminated, and Tenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Tenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any

way connected with the Indemnified Parties' decision to Lease the Premises to Tenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Tenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 15.1.

(g) In executing these waivers and releases, Tenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Tenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Tenant regardless of any claims of mistake.

(i) **In connection with the foregoing releases, Tenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:**

**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

Tenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Tenant realizes and acknowledges that it has agreed upon this Lease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Lease.

**15.2. Tenant's Indemnity.** Tenant, on behalf of itself and Tenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Tenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Tenant or Tenant's Agents or Tenant's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Tenant's Agents and Tenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Tenant in the observation or performance of any of the terms, covenants or conditions of this Lease to be observed or performed on Tenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Tenant, Tenant's Agents or Tenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any

Alterations; (e) any construction or other work undertaken by Tenant on or about the Premises; and (f) any acts, omissions or negligence of Tenant, Tenant's Agents or Tenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Lease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Landlord's costs of investigating any Loss. Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Landlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by Landlord and continues at all times thereafter. Tenant's obligations under this Section shall survive the expiration or sooner termination of this Lease.

## 16. INSURANCE

**16.1. Required Insurance Coverage.** Tenant, at its sole cost and expense, shall maintain, or cause to be maintained, through the Term of this Lease, the following insurance:

- (a) **General Liability Insurance.** Comprehensive or commercial general liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, Two Million Dollars (\$2,000,000) aggregate for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than One Million Dollars (\$1,000,000), explosion, collapse and underground (XCU).
- (b) **Automobile Liability Insurance.** Comprehensive or business automobile liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Tenant's activity on the Premises or the Permitted Use.
- (c) **Worker's Compensation and Employer's Liability Insurance.** If Tenant has employees, Worker's Compensation Insurance in statutory amounts with Employer's Liability with limits not less than One Million Dollars (\$1,000,000.00) for each accident, injury or illness, on employees eligible for each.
- (d) **Personal Property Insurance.** Tenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by Tenant for the replacement of

Tenant's personal property.

(e) **Other Coverage.** Such other insurance or different coverage amounts as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager.

**16.2. Claims-Made Policies.** If any of the insurance required in Section 16.1 above is provided under a claims-made form of policy, Tenant shall maintain such coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Lease, to the effect that should occurrences during the Term give rise to claims made after termination of this Lease, such claims shall be covered by such claims-made policies.

**16.3. Annual Aggregate Limits.** If any of the insurance required in Section 16.1 above is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

**16.4. Payment of Premiums.** Tenant shall pay the premiums for maintaining all required insurance.

**16.5. Waiver of Subrogation Rights.** Notwithstanding anything to the contrary contained herein, Landlord and Tenant (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Facility or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Lease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Facility or the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

**16.6. General Insurance Matters.**

(a) All liability insurance policies required to be maintained by Tenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds with respect to claims arising under this Lease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

(b) All insurance policies required to be maintained by Tenant hereunder shall be issued by

an insurance company or companies reasonably acceptable to Landlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies required to be maintained by Tenant hereunder shall provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Tenant and Landlord. Such notice shall be given in accordance with the notice provisions of Section 20.1 below.

(d) Tenant shall deliver to Landlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Landlord evidencing the coverages required herein, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Tenant shall, upon Landlord's request, promptly furnish Landlord with a complete copy of any insurance policy required hereunder.

(e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Landlord may require Tenant to increase the insurance limits set forth in Section 16.1 above if Landlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Tenant with respect to risks comparable to those associated with the use of the Premises.

(f) Tenant's compliance with the provisions of this Section shall in no way relieve or decrease Tenant's indemnification obligations herein or any of Tenant's other obligations or liabilities under this Lease.

(g) Notwithstanding anything to the contrary in this Lease, Landlord may elect in Landlord's sole and absolute discretion to terminate this Lease upon the lapse of any required insurance coverage by written notice to Tenant.

## 17. ACCESS BY LANDLORD

### 17.1. Access to Premises by Landlord.

(a) **General Access.** Landlord reserves for itself and Landlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Tenant (except in the event of an emergency) for any purpose.

(b) **Emergency Access.** In the event of any emergency, as determined by Landlord, Landlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Tenant's Personal Property on or about the Premises. Landlord shall have the right to use any and all means Landlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Landlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be

deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.

(c) **No Liability.** Landlord shall not be liable in any manner, and Tenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Landlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Landlord or Landlord's Agents and not contributed to by the acts, omissions or negligence of Tenant, Tenant's Agents or Tenant's Invitees.

**17.2. Access to Premises by Landlord.** Tenant acknowledges and agrees that Landlord shall have all of the rights of access to the Premises described in the Lease.

## **18. SURRENDER**

**18.1. Surrender of the Premises.** Upon the termination of this Lease, Tenant shall surrender to Landlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Tenant. On or before any termination hereof, Tenant shall, at its sole cost, remove any and all of Tenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Landlord agrees are to remain part of the Premises pursuant to the provisions of Section 7.3 above). In addition, Tenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Tenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Tenant's obligations under this Section shall survive the termination of this Lease. Any items of Tenant's Personal Property remaining on or about the Premises after the termination of this Lease may, at Landlord's option and after thirty (30) days written notice to Tenant, be deemed abandoned and in such case Landlord may dispose of such property in accordance with Section 1980, *et seq.*, of the California Civil Code or in any other manner allowed by Law.

**18.2. No Holding Over.** If Tenant fails to surrender the Premises to Landlord upon the termination of this Lease as required by this Section, Tenant shall Indemnify Landlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Tenant resulting from Tenant's failure to surrender the Premises. Tenant shall have no right to hold over without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion. If Landlord holds over the Premises or any part thereof after expiration or earlier termination of this Lease, such holding over shall be terminable upon written notice by Landlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Lease. This Section shall not be construed as Landlord's

permission for Tenant to hold over. Acceptance of any holdover Base Rent by Landlord following expiration or termination of this Lease shall not constitute an extension or renewal of this Lease.

**18.3. Security Deposit.** Tenant shall pay to Landlord upon execution of this Lease a security deposit in the amount set forth in the Basic Lease Information as security for the faithful performance of all terms, covenants and conditions of this Lease. Tenant agrees that Landlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Tenant, Tenant's Agents or Tenant's Invitees, or any failure of Tenant to perform any other terms, covenants or conditions contained in this Lease, without waiving any of Landlord's other rights and remedies hereunder or at Law or in equity. Should Landlord use any portion of the security deposit to cure any Event of Default by Tenant hereunder, Tenant shall immediately replenish the security deposit to the original amount, and Tenant's failure to do so within five (5) days of Landlord's notice shall constitute a material Event of Default under this Lease. Landlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Landlord shall not be required to keep the security deposit separate from its general funds, and Tenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Tenant's liability for the performance of any of its obligations under this Lease. To the extent that Landlord is not entitled to retain or apply the security deposit pursuant to this Section 18.3, Landlord shall return such security deposit to Tenant within forty-five (45) days of the termination of this Lease.

## **19. HAZARDOUS MATERIALS**

**19.1. No Hazardous Materials.** Tenant covenants and agrees that neither Tenant nor any of Tenant's Agents or Tenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Landlord, which approval may be withheld in Landlord's sole and absolute discretion. Tenant shall immediately notify Landlord if and when Tenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Landlord may from time to time request Tenant to provide adequate information for Landlord to determine that any Hazardous Material permitted hereunder

is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Tenant shall promptly provide all such information. Landlord and Landlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Tenant (except in the event of an emergency). Tenant agrees that it shall comply, without limiting the foregoing, with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan. Tenant agrees that it shall comply with the restrictions or limitations set forth in the Navy Deed, the Covenant to Restrict Use of Property (the "CRUP", if any relate to the Premises), and any additional requirements imposed by regulators with jurisdiction over the Premises.

**19.2. Tenant's Environmental Indemnity.** If Tenant breaches any of its obligations contained in Section 19.1 above, or, if any act or omission or negligence of Tenant or any of Tenant's Agents or Tenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leaching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Tenant's general Indemnity contained in Section 15.2 above, Tenant, on behalf of itself and Tenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Landlord, Landlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Lease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Landlord property. Without limiting the foregoing, if Tenant or any of Tenant's Agents or Tenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Tenant shall, immediately, at no expense to Landlord, take any and all appropriate actions to return the Premises or other Landlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Tenant shall provide Landlord with written notice of and afford Landlord a full opportunity to participate in any discussions with

governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

**19.3. Acknowledgment of Receipt of EBS and FOST.** Tenant hereby acknowledges for itself and its Agents that, prior to the execution of this Lease, Tenant has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Transfer ("FOST") issued by the Navy. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Tenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOST. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Lease, Tenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

## **20. GENERAL PROVISIONS**

**20.1. Notices.** Except as otherwise expressly provided in this Lease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Lease Information. Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 20.1 and applicable Laws, shall be deemed receipt of such notice.

**20.2. No Implied Waiver.** No failure by Landlord to insist upon the strict performance of any obligation of Tenant under this Lease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Landlord, shall constitute a waiver of such breach or of Landlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Lease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of

a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Landlord given in any instance under the terms of this Lease shall not relieve Tenant of any obligation to secure the consent of Landlord in any other or future instance under the terms of this Lease.

**20.3. Amendments.** Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

**20.4. Authority.** If Tenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing entity, that Tenant has and is qualified to do business in California, that Tenant has full right and authority to enter into this Lease, and that each and all of the persons signing on behalf of Tenant are authorized to do so. Upon Landlord's request, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Tenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a Lease containing those provisions and their legal effect.

**20.5. Joint and Several Obligations.** The word "Tenant" as used herein shall include the plural as well as the singular. If there is more than one Tenant, the obligations and liabilities under this Lease imposed on Tenant shall be joint and several.

**20.6. Interpretation of Lease.** The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Lease. Provisions in this Lease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Landlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Landlord is required to be obtained by Tenant hereunder, Landlord may give or withhold such consent in its sole and absolute discretion.

**20.7. Successors and Assigns.** Subject to the provisions of Section 13, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and, except as otherwise provided herein, their personal representatives and successors and

assigns; provided, however, that upon any transfer by Landlord (or by any subsequent Landlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Landlord (or any subsequent Landlord) shall be relieved from all subsequent obligations and liabilities arising under this Lease subsequent to such transfer.

**20.8. Brokers.** Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Lease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.

**20.9. Severability.** If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the fullest extent permitted by Law.

**20.10. Governing Law.** This Lease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

**20.11. Entire Agreement.** This instrument (including the exhibits hereto, which are made a part of this Lease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Lease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Lease. Tenant hereby acknowledges that neither Landlord nor Landlord's Agents have made any representations or warranties with respect to the Premises or this Lease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise unless expressly set forth herein.

**20.12. Attorneys' Fees.** In the event that either Landlord or Tenant fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Lease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Lease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Landlord's General Counsel) shall be based on the fees regularly charged by private attorneys

with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Lease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

**20.13. Time of Essence.** Time is of the essence with respect to all provisions of this Lease in which a definite time for performance is specified.

**20.14. Cumulative Remedies.** All rights and remedies of either party hereto set forth in this Lease shall be cumulative, except as may otherwise be provided herein.

**20.15. Survival of Indemnities.** Termination of this Lease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Lease, nor shall it affect any provision of this Lease that expressly states it shall survive termination hereof. Tenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Lease, Tenant has an immediate and independent obligation to defend Landlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by Landlord and continues at all times thereafter.

**20.16. Relationship of Parties.** Landlord is not, and none of the provisions in this Lease shall be deemed to render Landlord, a partner in Tenant's business, or joint venturer or member in any joint enterprise with Tenant. This Lease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Lease by Landlord does not constitute authorization or approval by Landlord of any activity conducted by Tenant on, in or relating to the Premises.

**20.17. Recording.** Tenant agrees that it shall not record this Lease nor any memorandum or short form hereof in the official records of any county.

**20.18. Non-Liability of Indemnified Parties' Officials, Employees and Agents.** No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Tenant, its successors and assigns, in the event of any default or breach by Landlord or for any amount which may become due to Tenant, its successors and assigns, or for any obligation of Landlord under this Lease.

**20.19. Counterparts.** This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

## **21. SPECIAL PROVISIONS**

**21.1. Signs.** Tenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Landlord's prior written consent, which Landlord may withhold or grant in its sole discretion.

**21.2. Public Transit Information.** Tenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Tenant's sole expense.

**21.3. TIHDI Job Broker.** Tenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit F.

**21.4. Local Hiring.** Tenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Tenant's personnel needs and to contract with local businesses for Tenant's purchase of supplies, materials, equipment or services.

### **21.5. Non-Discrimination in City Contracts and Benefits Ordinance.**

(a) **Covenant Not to Discriminate.** In the performance of this Lease, Tenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Tenant in any of Tenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Tenant.

(b) **Subleases and Other Subcontracts.** Tenant shall include in all Subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Tenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all

subtenants and other subcontractors to comply with such provisions. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) **Non-Discrimination in Benefits**. Tenant does not as of the date of this Lease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Lease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **CMD Form**. As a condition to this Lease, Tenant shall execute the "Chapter 12B Declaration Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco City Administrator's Contract Monitoring Division (the "CMD"). Tenant hereby represents that prior to execution of this Lease, (i) Tenant executed and submitted to the CMD Form CMD-12B-101 with supporting documentation; and (ii) the CMD approved such form.

(e) **Incorporation of Administrative Code Provisions by Reference**. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Tenant shall comply fully with and be bound by all of the provisions that apply to this Lease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Tenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

**21.6. MacBride Principles - Northern Ireland**. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, *et seq.* The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Tenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

**21.7. Tropical Hardwood and Virgin Redwood Ban**. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Tenant shall

not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Lease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Tenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant shall be liable for liquidated damages for each violation in an amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

**21.8. Wages and Working Conditions.** Tenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Tenant provides under this Lease, shall be paid not less than the highest prevailing rate of wages consistent with the requirements of Section 6.22(E) of the San Francisco Administrative Code, and shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Tenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Tenant shall require any contractor to provide, and shall deliver to Landlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

**21.9. Prohibition of Alcoholic Beverage Advertising.** Tenant acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of alcoholic beverages, (ii) encourage people not to drink alcohol or to stop drinking alcohol, or (iii) provide or publicize drug or alcohol treatment or rehabilitation services.

**21.10. Prohibition of Tobacco Sales and Advertising.** Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Landlord or the City, including the Premises and the Property. This advertising prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

**21.11. Pesticide Prohibition.** Tenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Tenant to submit to Landlord an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the terms of this Lease, (b) describes the steps Tenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as Tenant's primary IPM contact person with the City. In addition, Tenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

**21.12. First Source Hiring Ordinance.** The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Landlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Tenant shall enter into a First Source Hiring Agreement that meets the applicable requirements of Section 83.9 of the First Source Hiring Ordinance.

**21.13. Sunshine Ordinance.** In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

**21.14. Conflicts of Interest.** Through its execution of this Lease, Tenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Tenant becomes aware of any such fact during the Term of this Lease, Tenant shall immediately notify Landlord.

**21.15. Charter Provision.** This Lease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

**21.16. Requiring Health Benefits for Covered Employees.** Unless exempt, Tenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability

Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Lease as though fully set forth. The text of the HCAO is available on the web at <http://www.sfgov.org/olse/hcao>. Capitalized terms used in this Section and not defined in this Lease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Tenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Tenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Tenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Tenant's failure to comply with the HCAO shall constitute a material breach of this Lease. Landlord shall notify Tenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Tenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Landlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Landlord.

(d) Any Subcontract entered into by Tenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Tenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Tenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Landlord may pursue the remedies set forth in this Section against Tenant based on the Subcontractor's failure to comply, provided that Landlord has first provided Tenant with notice and an opportunity to obtain a cure of the violation.

(e) Tenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Landlord with regard to Tenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

- (g) Tenant shall keep itself informed of the current requirements of the HCAO.
- (h) Tenant shall provide reports to Landlord in accordance with any reporting standards promulgated by Landlord under the HCAO, including reports on Subcontractors and Tenants, as applicable.
- (i) Tenant shall provide Landlord with access to records pertaining to compliance with the HCAO after receiving a written request from Landlord to do so and being provided at least five (5) business days to respond.
- (j) Landlord may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant agrees to cooperate with Landlord when it conducts such audits.
- (k) If Tenant is exempt from the HCAO when this Lease is executed because its amount is less than Twenty-Five Thousand Dollars (\$25,000) (or [Fifty Thousand Dollars (\$50,000) if Tenant is a qualified nonprofit], but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with Landlord to reach Seventy-Five Thousand Dollars (\$75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars (\$75,000) in the fiscal year.

**21.17. Notification of Limitations on Contributions.** Through its execution of this Lease, Tenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Tenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Tenant further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Tenant's board of directors; Tenant's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Tenant; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Tenant. Additionally, Tenant acknowledges that Tenant must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Tenant further agrees to provide Landlord the name of each person, entity or committee described above.

**21.18. Preservation-Treated Wood Containing Arsenic.** As of July 1, 2003, Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Tenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Tenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**21.19. Resource Efficient City Buildings and Pilot Projects.** Tenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Tenant hereby agrees that it shall comply with all applicable provisions of such code sections.

**21.20. Food Service Waste Reduction.** Tenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San

Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Lease as though fully set forth. This provision is a material term of this Lease. By entering into this Lease, Tenant agrees that if it breaches this provision, Landlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Tenant agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Landlord will incur based on the violation, established in light of the circumstances existing at the time this Lease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Landlord because of Tenant's failure to comply with this provision.

**21.21. Estoppe Certificates.** At any time and from time to time, within ten (10) days after Landlord's request, Tenant will execute, acknowledge and deliver to Landlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Lease; (b) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Lease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Landlord. Landlord and Tenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Landlord's interest in the Lease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Tenant irrevocably appoints Landlord, as Tenant's agent, to execute and deliver in the name of Landlord any such instrument if Tenant fails to do so, which failure shall also be an Event of Default under this Lease.

**21.22. Addendum.** The terms of the Addendum, if any, attached to this Lease are incorporated into the Lease by reference. In the event of any inconsistency between the Lease and the Addendum, the terms of the Addendum shall control.

**21.23. Cooperative Drafting.** This Lease has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Lease reviewed and revised by legal counsel. No party shall be considered the drafter of this Lease, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Lease.

#### **22.24 Criminal History in Hiring and Employment Decisions**

(a) Unless exempt, Tenant agrees to comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions; "Chapter 12 T"), which are hereby incorporated as may be amended from time to time, with respect to applicants and employees of Tenant who would be or are

performing work at the Premises.

(b) Tenant shall incorporate by reference the provisions of Chapter 12T in all Leases of some or all of the Premises, and shall require all subtenants to comply with such provisions. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) Tenant and subtenants shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Tenant and subtenants shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection (c) above. Tenant and subtenants shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(e) Tenant and subtenants shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(f) Tenant and subtenants shall post the notice prepared by the Office of Labor Standards Enforcement ("OLSE"), available on OLSE's website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Premises or other workplace at which it is posted.

(g) Tenant and subtenants understand and agree that upon any failure to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T or this Lease, including but not limited to a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Lease.

(h) If Tenant has any questions about the applicability of Chapter 12T, it may contact

the City's Real Estate Division for additional information. City's Real Estate Division may consult with the Director of the City's Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

## **22.25 Local Hiring Requirements for Tenant Alterations and Improvements.**

Tenant Alterations and Improvements are subject to the San Francisco Local Hiring Policy for Construction ("Local Hiring Policy") (San Francisco Administrative Code §6.22(G)) unless the Tenant improvements are undertaken and contracted for by Tenant and are estimated to cost less than \$750,000 per building permit; or meet any of the other exemptions in San Francisco Administrative Code Section 6.22(G). Accordingly, Tenant, as a condition of this Lease, agrees that, unless subject to an exemption or conditional waiver, Tenant shall comply with the obligations in San Francisco Administrative Code Section 6.22(G), and shall require Tenant's subtenants to comply with those obligations to the extent applicable. The requirements are summarized below. Before starting any Tenant Improvement Work, Tenant shall contact the City's Office of Economic Workforce and Development ("OEWD") to verify the Local Hiring Policy requirements that apply to the Tenant Improvement Work, and Tenant shall comply with all such requirements. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease and may subject Tenant and its subtenants to the consequences of noncompliance specified in the Local Hiring Policy, including but not limited to penalties.

- (1) For each contractor and subcontractor performing Tenant improvements in amounts exceeding the Threshold Amount for a Covered Project, Tenant and its subtenants shall comply with the applicable mandatory participation levels for Project Work Hours performed by Local Residents, Disadvantaged Workers, and Apprentices set forth in Administrative Code §6.22(G)(4).
- (2) For Covered Projects estimated to cost more than \$1,000,000, prior to commencement of any work subject to the Local Hiring Policy, Tenant and its subtenants shall prepare and submit to Landlord and the City's Office of Economic and Workforce Development (OEWD) for approval a "local hire plan" for the project in accordance with Administrative Code §6.22(G)(6).
- (3) Tenant and its subtenants shall comply with applicable recordkeeping and reporting requirements and shall cooperate in City inspections and audits for compliance with the Local Hiring Policy, including allowing access to employees of its contractors and subcontractors and other witnesses at the Premises.
- (4) Tenant agrees that (i) Tenant shall comply with all applicable requirements of the Local Hiring Policy; (ii) the provisions of the Local Hiring Policy are reasonable and achievable by Tenant and its subtenants; and (iii) Tenant and its subtenants have had a full and fair opportunity to review and understand the terms of the Local Hiring Policy.

## **22.26 Local Hiring Requirements for Special Events.**

Unless exempt, if Tenant has a special event on the premises, Tenant must comply with all applicable provisions of the San Francisco Local Hiring Policy in the performance of construction activities during the set-up, execution and strike of Events of four (4) or more consecutive or non-consecutive days. Before starting any Construction Work for Special Events covered under the Local Hiring Policy, Event Sponsor shall contact the City's Office of Economic Workforce and Development ("OEWD") to verify the Local Hiring Policy requirements that apply to the Special Event, and Event Sponsor shall comply with all such requirements. Failure to comply with the obligations in this subsection shall constitute a material breach and may subject Event Sponsor to the consequences of noncompliance specified in the Local Hiring Policy, including but not limited to penalties.

- (1) For construction work on events covered by the Local Hiring Policy that exceed \$400,000, a budget of construction activities must be submitted with this application for review by OEWD.
- (2) Contractors shall comply with the applicable mandatory participation levels for Project Work Hours performed by Local Residents, Disadvantaged Workers, and Apprentices as set forth in Section 6.22(G)(4).
- (3) Contractors shall comply with applicable recordkeeping and reporting requirements and shall cooperate in City inspections and audits for compliance with the Local Hiring Policy, including allowing access to employees of its contractors and subcontractors and other witnesses at the Premises.

**22.27. Bottled Drinking Water.** Unless exempt, Tenant agrees to comply fully with and be bound by all of the provisions of the San Francisco Bottled Water Ordinance, as set forth in San Francisco Environment Code Chapter 24, including the administrative fines, remedies, and implementing regulations provided therein, as the same may be amended from time to time. The provisions of Chapter 24 are incorporated herein by reference and made a part of this Lease as though fully set forth.

Landlord and Tenant have executed this Lease in triplicate as of the date first written above.

**TENANT:**

**LIFE LEARNING ACADEMY, INC. a  
California non-profit corporation**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**LANDLORD:**

**TREASURE ISLAND DEVELOPMENT  
AUTHORITY**

By: \_\_\_\_\_

Robert P. Beck  
Treasure Island Director

**APPROVED AS TO FORM:**

**DENNIS J. HERRERA, City Attorney**

By: \_\_\_\_\_  
Deputy City Attorney

Sublease Prepared By: Richard A. Rovetti, Deputy Director of Real Estate \_\_\_\_\_  
(initial)

**EXHIBIT A**  
**DIAGRAM OF PREMISES**

EXHIBIT A1

NAVY DEED

EXHIBIT B

COVER PAGE OF THE SEISMIC REPORT

**EXHIBIT C**

**RULES AND REGULATIONS**

1. All rules and regulations set out in the Lease shall prevail.
2. No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of Landlord.
3. Tenant's contractors and invitees, while on the Premises or Tenant's parking area, shall be subject to these Rules and Regulations, and will be subject to direction from Landlord and its agents, but will not be an agent or contractor of the Landlord or its agents. Tenant's contractors shall be licensed by the State, insured and bonded at the amount requested by the Landlord.
4. Tenant shall install and maintain at Tenant's expense, any life safety equipment required by governmental rules, regulations or laws to be kept on the Premises.

**EXHIBIT D**

**STANDARD UTILITIES AND SERVICES AND RATES**

**Utilities Rate Schedule**

<b>Utility Service</b>	<b>Rate</b>	<b>Unit</b>
Electric Rate	\$0.14275	per kwh
Water Rate	\$8.72	per kgal
Sewer Rate	\$13.70	per kgal
Gas Rate	\$6.00	per kcf

Rates are subject to adjustment.

Authority may increase the Utility Rate annually consistent with rate adjustments by the SFPUC.

Subtenant shall arrange for delivery of utility services to the premises by making a "Request for Utilities Services" by contacting:

San Francisco Public Utilities Commission  
c/o Treasure Island Development Authority  
One Avenue of the Palms  
Treasure Island  
San Francisco, CA. 94130  
Attn: Mr. Sam Larano  
(415) 274-0333  
(415) 554-0724

## **EXHIBIT E**

### **TIHDI WORKFORCE HIRING PLAN**

#### **TIHDI Job Broker Program Requirements for Island Tenants**

As part of the workforce hiring goals for Treasure Island, the Treasure Island Development Authority's (TIDA) requires that Island commercial tenants are to make good faith efforts to fill appropriate available on-Island positions through the Treasure Island Homeless Development Initiative (TIHDI) TIHDI Job Broker Program (TJBP). All new non-supervisory positions created by on-Island commercial tenants and businesses should be opened to consideration of TJBP candidates, and San Francisco residents should account for a majority of all new hires by on-Island commercial tenants and businesses.

In order to help commercial tenants reach these goals, the TJBP provides free and immediate access to San Francisco's extensive non-profit employment & training programs and to a resource pool of individuals with varied skill levels and work experience backgrounds.

Through the TJBP, a job description and set of qualification requirements for the new or open position is distributed to the TJBP's network of employment service agencies on behalf of the commercial tenant. Appropriate candidates from these agencies are then referred to the commercial tenant for interviewing. All of the TJBP referrals are required to meet universal standards of job readiness.

To effectively implement the Good Faith provisions of the TJBP, commercial tenants are asked to provide TIHDI with a written plan, list available jobs with TIHDI prior to public advertisement, consider TJBP referrals, and establish an ongoing relationship with the TJBP.

Additionally, if a commercial tenant does not anticipate making any new hires, it can meet its requirements under the TJBP by contracting with one of the two on-Island social enterprise operations: Toolworks Janitorial Services and/or Rubicon Programs Landscaping. Contact the TIHDI Job Broker for these services and for further information on the TIHDI Job Broker System to discuss and develop your workforce hiring plan.

For further information on the TIHDI Job Broker Program, please contact:

**Noel Santos**  
**TIHDI Job Broker**  
**(415) 274-0311 ex. 302**  
**[nsantos@tihdi.org](mailto:nsantos@tihdi.org)**



1 [Lease with LIFE LEARNING ACADEMY, INC. a California non-profit corporation, Treasure  
2 Island]

3 **Resolution Approving and Authorizing the Execution of Lease No. 1,009 with LIFE  
4 LEARNING ACADEMY, INC. a California non-profit corporation for Building 229,  
5 Treasure Island**

6 WHEREAS, Former Naval Station Treasure Island is a military base located on  
7 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by  
8 the United States of America, acting by and through the Department of the Navy; and,  
9 WHEREAS, The Base was selected for closure and disposition by the Base Realignment and  
10 Closure Commission in 1993, acting under Public Law 101-510, and its subsequent  
11 amendments; and,

12 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended  
13 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter  
14 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority  
15 as a redevelopment agency under California redevelopment law with authority over the Base  
16 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the  
17 Base which are subject to Tidelands Trust, vested in the Authority the authority to administer  
18 the public trust for commerce, navigation and fisheries as to such property; and,

19 WHEREAS, The Board of Supervisors approved the designation of the Authority as a  
20 redevelopment agency for Treasure Island in 1997; and,

21 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of  
22 the Authority as the redevelopment agency for Treasure Island under California Community  
23 Redevelopment Law in Resolution No. 11-12; and that such rescission does not affect  
24 Authority's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust

1 trustee for the portions of Treasure Island subject to the Tidelands Trust, or any of the other  
2 powers or authority; and,

3       **WHEREAS**, Since 1998, The Delancey Street Foundation, a California non-profit  
4 corporation ("Delancey Street") has leased Building 229 and the adjacent outdoor space from  
5 the Authority for the operation of the Life Learning Academy, a San Francisco Unified School  
6 District ("SFUSD") charter high school; and,

7       **WHEREAS**, The Life Learning Academy is a diploma-granting SFUSD charter school  
8 designed to serve 60 at-risk high-school aged youths providing in addition to general  
9 academic subjects, like math, science and language arts, the school provides culinary training  
10 and the opportunity to learn organic gardening; and,

11       **WHEREAS**, The Life Learning Academy wishes to provide modular dormitories within  
12 its Premises to house up to 16 students in a Life Learning Boarding Academy; and,

13       **WHEREAS**, The On May 29, 2015, the United States of America, acting by and  
14 through the Department of Navy ("Navy") transferred all of its property on Yerba Buena Island  
15 and portions of Treasure Island to the Authority which includes the LLA's existing Premises. .

16       **WHEREAS**, LLA's Premises is within the 4<sup>th</sup> phase of construction activity planned  
17 under the master Treasure Island Development Project, and as a result is not anticipated to  
18 be affected for several years; and,

19       **WHEREAS**, The Authority is seeking to enter into a new five (5) year lease with LLA  
20 commencing on December 1, 2015 and expiring November 30, 2020 for Parcel A:  
21 approximately 20,723 square feet of classroom and office space; and Parcel B: approximately  
22 30,000 square feet of unpaved land located adjacent to Building 229, Treasure Island; and,

23       **WHEREAS**, Given the community benefits associated with the LLA, LLA will be  
24 provided space on Treasure Island at no base rent, subject to the condition that LLA will

1 assume all responsibility for maintenance and repairs, including participating in the  
2 contribution for expenses paid or incurred by the Authority in connection with the ownership,  
3 operation, maintenance, repair and management of the common areas, including but not  
4 limited to the streets, sidewalks, walkways, driveways, curbs, lighting systems and security  
5 services, throughout Treasure Island; now, therefore, be it

6           RESOLVED, That the Board of Directors hereby approves Lease No. 1,009 with LIFE  
7 LEARNING ACADEMY, INC. a California non-profit corporation, and authorizes the Treasure  
8 Island Director or his designee to execute said Lease in substantially the form attached hereto  
9 as Exhibit A; and be it

10          FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into  
11 the Lease will serve the goals of the Authority and the public interests of the City, and (ii) the  
12 terms and conditions of the Lease are economically reasonable; and be it

13          FURTHER RESOLVED, That the Board of Directors hereby authorizes the Treasure  
14 Island Director to enter into any additions, amendments or other modifications to the Lease  
15 that the Treasure Island Director determines in consultation with the City Attorney are in the  
16 best interests of the Authority, that do not materially increase the obligations or liabilities of the  
17 Authority, that do not materially reduce the rights of the Authority, and are necessary or  
18 advisable to complete the preparation and approval of the Lease, such determination to be  
19 conclusively evidenced by the execution and delivery by the Treasure Island Director of the  
20 documents and any amendments thereto.

1           **CERTIFICATE OF SECRETARY**

2           I hereby certify that I am the duly elected Secretary of the Treasure Island  
3           Development Authority, a California nonprofit public benefit corporation, and that the  
4           above Resolution was duly adopted and approved by the Board of Directors of the  
5           Authority at a properly noticed meeting on November 18, 2015.

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Jean-Paul Samaha, Secretary

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**AGENDA ITEM 6d**  
**Treasure Island Development Authority**  
**Board of Directors**  
**City and County of San Francisco**  
**Meeting of November 18, 2015**

**Subject:** Resolution authorizing the Treasure Island Director to enter into an Agreement with AT&T to extend the term of three existing easements for AT&T infrastructure from November 28, 2015, through December 31, 2017. (Action Item)

**Contact:** Robert Beck, Treasure Island Director

**SUMMARY OF PROPOSED ACTION**

The proposed resolution would authorize the Treasurer Island Director, in consultation with the City Attorney, to draft and enter into an Agreement with AT&T to extend the term of three existing easements for AT&T facilities through December 31, 2017.

**BACKGROUND**

In 1993, the former Naval Station Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission ("BRAC"), and in 1997, the Base closed and the Treasure Island Development Authority ("TIDA") was created to serve as a single entity responsible for the reuse and development of the Base.

On April 21, 2011, in a joint session with the San Francisco Planning Commission, the TIDA Board of Directors adopted a series of resolutions to approve numerous entitlement and transaction documents relating to the Treasure Island/Yerba Buena Island Development Project (collectively, the "Transaction and Entitlement Documents"), including approving a draft form of an EDC Memorandum of Agreement (the "Draft EDC MOA"). On June 7, 2011, the Board of Supervisors approved these same Transaction and Entitlement Documents.

On July 2, 2014, TIDA and the Navy entered into an Economic Development Conveyance Memorandum of Agreement (the "EDC MOA") which established terms under which the property of the former Naval Station Treasure Island would be transferred to the City, and, on May 29, 2015, the Navy transferred the first 290 acres of property to TIDA, including all of its property on Yerba Buena Island and portions of Treasure Island.

The transferred property was encumbered by a number of utility easements including nine easements held by AT&T. Three of the AT&T easements originally granted between 1965 and 1967 have termination dates of November 28, 2015.

## **DISCUSSION**

The nine AT&T easements include eight easements on Yerba Buena Island (“YBI”) for cables, conduit, manholes, and buildings which bring service to the island and distribute service to Treasure Island and Yerba Buena Island. The three expiring easements are included in these eight YBI easements. The final easement is an easement across Treasure Island for continuation of an AT&T submarine cable which does not directly serve Yerba Buena or Treasure Island.

Although the easements on Yerba Buena Island were entered into with the Navy the easements cross properties now owned by TIDA, Caltrans, and the United States Coast Guard (“USCG”). The infrastructure within the eight easements on YBI are segments of a network providing existing service to Treasure Island and Yerba Buena Island. As such, it would be appropriate for AT&T to have individual easements with TIDA, USCG, and Caltrans for all of the facilities within their respective properties.

The construction of new infrastructure in the course of development will require the infrastructure in several of the AT&T easements to be relocated. Upon completion of the relocations, the easement(s) between TIDA and AT&T will need to be updated to reflect the new locations of the AT&T facilities.

Because the facilities within the three expiring easements play essential roles in current telecommunication services on Treasure Island and Yerba Buena Island, it is appropriate to extend the current term of those easements. Within the next two years the majority of required relocations of AT&T will have been completed. Where facilities are still to be relocated, the planning for those relocations should be sufficiently advanced prepare legal descriptions of the final locations of the relocated facilities.

During that same time frame, AT&T will be working with Caltrans and the USCG to establish separate easements with those two agencies for the AT&T facilities within their respective properties, and it is the intention of TIDA staff to negotiate a single, consolidated easement with AT&T to replace the eight current easements on Yerba Buena Island.

## **RECOMMENDATION**

Staff recommends that the TIDA Board authorize the Treasure Island Director, in consultation with the City Attorney, to draft and execute an Agreement with AT&T to extend the term of the three expiring easement agreements through the end of 2017 during which time some of the infrastructure within these easements will be relocated and a new consolidated easement agreement could be prepared accurately describing the final location of AT&T's facilities.

Prepared by Robert Beck

1 [Extending the Term of Certain AT&T Easements]

2 **Resolution authorizing the Treasure Island Director to enter into an Agreement with**  
3 **AT&T to extend the term of three existing easements for AT&T infrastructure from**  
4 **November 28, 2015, through December 31, 2017.**

5       **WHEREAS**, Former Naval Station Treasure Island was a military base located on  
6 Treasure Island and Yerba Buena Island (together, the "Base") owned and controlled by the  
7 United States of America, acting by and through the Department of the Navy; and,

8       **WHEREAS**, The Base was selected for closure and disposition by the Base  
9 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its  
subsequent amendments; and,

10      **WHEREAS**, Under the Treasure Island Conversion Act of 1997, which amended  
11 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter  
12 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority  
13 as a redevelopment agency under California redevelopment law with authority over the Base  
14 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the  
15 Base which are subject to Tidelands Trust, vested in the Authority the authority to administer  
16 the public trust for commerce, navigation and fisheries as to such property; and,

17      **WHEREAS**, The Board of Supervisors approved the designation of the Authority as a  
18 redevelopment agency for Treasure Island in 1997; and,

19      **WHEREAS**, On January 24, 2012, the Board of Supervisors rescinded designation of  
20 the Authority as the redevelopment agency for Treasure Island under California Community  
21 Redevelopment Law in Resolution No. 11-12; and that such rescission does not affect  
22 Authority's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust  
23 trustee for the portions of Treasure Island subject to the Tidelands Trust, or any of the other  
24 powers or authority; and,

1           **WHEREAS**, On June 7, 2011, the Board of Supervisors adopted a series of resolutions  
2 to approve numerous entitlement and transaction documents relating to the Treasure  
3 Island/Yerba Buena Island Development Project (collectively, the "Transaction and  
4 Entitlement Documents"), including approving a draft form of an EDC Memorandum of  
5 Agreement (the "Draft EDC MOA"); and,

6           **WHEREAS**, On July 2, 2014, TIDA and the Navy entered into an Economic  
7 Development Conveyance Memorandum of Agreement (the "EDC MOA") which established  
8 terms under which the property of the former Naval Station Treasure Island would be  
9 transferred to the City; and,

10          **WHEREAS**, On May 29, 2015, the Navy transferred all of its property on Yerba Buena  
11 Island and portions of Treasure Island to the Authority resulting in the Authority and the Office  
12 of the City Attorney developing a new "lease" template representing the Authority as landlord  
13 to be used for tenants within these transferred property areas; and,

14          **WHEREAS**, The transferred property was subject to a number of utility easements  
15 including nine easements held by AT&T, three of which were originally granted between 1965  
16 and 1967 and have termination dates of November 28, 2015; and,

17          **WHEREAS**, The AT&T facilities in these expiring easements are integral to the  
18 provision of existing telecommunications services on Treasure Island and Yerba Buena  
19 Island; and,

20          **WHEREAS**, Development activities will require the relocation of some AT&T facilities  
21 over the next two years; and,

22          **WHEREAS**, It will benefit AT&T and TIDA to consolidate and simplify the eight  
23 easements that AT&T holds on Treasure Island and Yerba Buena Island, and Authority staff  
24 plan to work with AT&T over the next two years to accomplish this goal; and,

**WHEREAS**, Authority staff proposes to extend the term of the three expiring AT&T

through the end of 2017 to continue AT&T's rights and obligations while the relocation of their facilities are planned and executed and a consolidated easement agreement is negotiated;

## Now, Therefore, Be It

**RESOLVED**, That the Authority Board authorizes the Treasure Island Director, in consultation with the City Attorney, to negotiate, draft and execute an Agreement with AT&T to extend the term of the three expiring easement agreements from November 28, 2015, through December 31, 2017; and, be it

**FURTHER RESOLVED**, That the Authority Board authorizes and directs the Treasure Island Director to negotiate, execute and deliver such additions or changes to the AT&T easements which the Treasure Island Director upon consultation with the City Attorney are in the best interest of TIDA and the City, do not materially decrease the benefits to or materially increase the obligations or liabilities of TIDA and the City, and are in compliance with all applicable laws.

**CERTIFICATE OF SECRETARY**

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 18, 2015.

Jean-Paul Samaha, Secretary





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**AGENDA ITEM 7**  
**Treasure Island Development Authority**  
**City and County of San Francisco**  
**Meeting of November 18, 2015**

**Subject:** Resolution Approving and Authorizing the Execution of Lease No. 1,012 with Abdo Ali Nasser, a sole proprietor, dba Island Market & Deli, to relocate Island Cove Market to Building 201, Treasure Island (Action Item)

**Contact:** Richard A. Rovetti, Deputy Director of Real Estate

**Phone:** 415-274-3365

**BACKGROUND**

Abdo Ali Nasser, a sole proprietor, dba Island Market & Deli (hereafter referred to as "Island Market"), has been a tenant in good standing with the Treasure Island Development Authority (hereafter referred to as the "Authority") for over seven years. In 2008, Island Market made improvements to Building 146 (the former entrance Guardhouse) and created TI Market & Deli which serves many Island residential and commercial tenants, as well as Island visitors. In 2012, Island Market made improvements to Building 449 (the former Navy Reserve Training Building) to create Treasure Island's first full service grocery store complete with delicatessen, fresh meat/poultry, and produce. This grocery store has been a valuable asset on Treasure Island.

On May 29, 2015, the United States of America, acting by and through the Department of Navy ("Navy") transferred all of its property on Yerba Buena Island and portions of Treasure Island to the Authority. Major Phase 1 planned under the Treasure Island Development Project (hereafter referred to as "Development Project") commences in early 2016 and includes deconstruction of several structures on Treasure Island including Building 449. Consequently, the Authority and Island Market agreed to relocate Island Cove Market to Building 201, located on Avenue H at 9<sup>th</sup> Street.

Building 201 is within Major Phase 4 of the Development Project and as a result is not anticipated to be developed for several years. The Authority is seeking to enter into a new Lease with Island Market for approximately 10,000 square feet of space located on the northwest side of Building 201. This new facility will be larger and will allow Island Market to increase the variety and options Island Cove Market offers to the community.

The proposed Lease will allow for 455 days of Early Entry in consideration for expenses related to dismantling and relocation of Island Cove Market from Building 449 to Building 201 as well as impacts related to loss of business during the move. Island Market requests a three (3) year lease commencing on December 1, 2015 and ending November 30, 2018 to offset these delays and additional expenses. Island Market will pay Base Rent consistent with the Authority's Minimum Monthly Rent Schedule.

## **LEASE TERMS AND CONDITIONS**

The salient terms and conditions of the proposed Lease include the following:

<b>Premises:</b>	Approximately Ten Thousand (10,000) square feet of shed space located at Building 201, Treasure Island
<b>Location:</b>	Building 201, Treasure Island
<b>Commencement Date:</b>	December 1, 2015
<b>Lease Expiration Date:</b>	November 30, 2018
<b>Lease Term:</b>	Three (3) Years
<b>Base Rent:</b>	<p>Early Entry: Commencing December 1, 2015 and ending November 30, 2016, the Island Market shall be provided Four Hundred and Fifty Five (455) days of Early Entry for the sole purpose of installing equipment. During the Early Entry period, Island Market shall not pay Base Rent but shall be subject to all other terms and conditions set forth in the Lease.</p> <p>Commencing March 1, 2016 and ending November 30, 2017, Monthly Base Rent shall be Two Thousand Dollars (\$2,000.00) per month or \$0.20 per square foot per month</p> <p>Commencing December 1, 2017 and ending November 30, 2018, Monthly Base Rent shall be Two Thousand and One Hundred Dollars (\$2,100.00) per month or \$0.21 per square foot per month</p>
<b>Additional Charges:</b>	Island Market shall pay Additional Charges in the amount of Nine Hundred Dollars (\$900.00) per month to cover Island Market's utility related expenses.
<b>Use:</b>	Operation of a full service grocery store and restaurant to include but not limited to the following: delicatessen, meat, poultry, dairy, produce, groceries, dry goods, and various other sundries only and for no other purpose.
<b>Security Deposit:</b>	Five Thousand and Eight Hundred Dollars (\$5,800.00)

### **PROPOSED MONTHLY BASE RENT**

Under the Authority's Lease Policy, Early Entry is set at 31 days for the purpose of preparing for occupancy. Island Market is requesting a total of 455 days of early entry commencing on December 1, 2015 and ending November 30, 2016, in consideration for expenses related to dismantling and relocation of Island Cove Market from Building 449 to Building 201 as well as impacts related to loss of business during the move. During this Early Entry period, Island Market will not pay Base Rent but shall be subject to all other terms and conditions set forth in the Lease. Commencing March 1, 2016, Island Market will pay the monthly Base Rent as outlined above.

### **BUDGET IMPACT**

Neither revenue, nor capital expenditures were budgeted for this facility for FY 2015-2016. This transaction will have no impact on the FY 2015-2016 budget.

### **RECOMMENDATION**

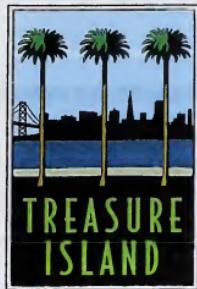
The Authority Staff recommends that the Authority Board of Directors approve the proposed Lease with Abdo Ali Nasser, a sole proprietor, dba Island Market & Deli, and authorize the Treasure Island Director or his designee to execute said Lease for approximately ten thousand (10,000) square feet of shed space located at Building 201, Treasure Island, for a three (3) year term and subject to the additional terms and conditions set forth above.

### **EXHIBIT**

EXHIBIT A –           Lease No. 1,012 with Abdo Ali Nasser, a sole proprietor, dba Island Market & Deli

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate  
For: Robert P. Beck, Treasure Island Director





LEASE No. 1,012

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Landlord

and

ABDO ALI NASSER  
a sole proprietor, doing business as  
ISLAND MARKET & DELI

as Tenant

For the Lease of a portion of

Building 201

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Treasure Island Naval Station  
San Francisco, California

December 1, 2015

## TREASURE ISLAND LEASE

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### LIST OF EXHIBITS:

EXHIBIT A –	Diagram of Premises
EXHIBIT A1 –	Navy Deed
EXHIBIT B –	Cover Page of Seismic Report
EXHIBIT C –	Rules and Regulations
EXHIBIT D –	Utilities
EXHIBIT E –	TIHDI Work Force Hiring Plan

## TREASURE ISLAND LEASE

THIS LEASE (the "Lease"), dated for reference purposes only as of December 1, 2015, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit nonprofit corporation ("Landlord"), and ABDO ALI NASSER, a sole proprietor, DBA ISLAND MARKET & DELI ("Tenant"). From time to time, Landlord and Tenant together shall be referred to herein as the "Parties".

This Lease is made with reference to the following facts and circumstances:

A. Landlord owns portions of the property known as the Naval Station Treasure Island (the "Property"). Landlord acquired the property from the U.S. Navy in accordance with the deed attached hereto as Exhibit A-1 (the "Navy Deed").

B. Tenant desires to lease from Landlord, and Landlord is willing to lease to Tenant, a portion of the Property on the terms and conditions contained in this Lease.

NOW THEREFORE, Landlord and Tenant hereby agree as follows:

### **1. BASIC LEASE INFORMATION**

The following is a summary of basic lease information (the "Basic Lease Information"). Each item below shall be deemed to incorporate all of the terms of this Lease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Lease, the more specific provision shall control.

Lease Reference Date:	December 1, 2015
Landlord:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit nonprofit corporation
Tenant:	ABDO ALI NASSER, a sole proprietor, DBA ISLAND MARKET & DELI
Leased Premises (Section 2.1):	Approximately Ten Thousand (10,000) square feet of shed space located at Building 201, Treasure Island, San Francisco, California, all as more particularly shown on Exhibit A attached hereto and made a part hereof.
Facility:	Building 201

Term: (Section 3.1):	Commencement date: December 1, 2015 Expiration date: November 30, 2018
Base Rent (Section 4.1):	<p>Early Entry:            Commencing December 1, 2015 and ending November 30, 2016, the Tenant shall be provided Four Hundred and Fifty Five (455) days of Early Entry for the sole purpose of installing equipment. During the Early Entry period, Tenant shall not pay Base Rent but shall be subject to all other terms and conditions set forth in the Lease.</p> <p>Commencing March 1, 2016 and ending November 30, 2017, Monthly Base Rent shall be Two Thousand Dollars (\$2,000.00) per month or \$0.20 per square foot per month</p> <p>Commencing December 1, 2017 and ending November 30, 2018, Monthly Base Rent shall be Two Thousand and One Hundred Dollars (\$2,100.00) per month or \$0.21 per square foot per month</p>
Rent Adjustment Date(s) (Section 4.2):	Not applicable
Rent Increase Percentage (Section 4.2):	Not applicable
Additional Charges (Section 4.3):	Tenant shall pay Additional Charges in the amount of Nine Hundred Dollars (\$900.00) per month to cover Tenant's utility related expenses.
Use (Section 6.1):	Operation of a full service grocery store and restaurant to include but not limited to the following: delicatessen, meat, poultry, dairy, produce, groceries, dry goods, and various other sundries only and for no other purpose.
Security Deposit (Section 18.3):	Five Thousand and Eight Hundred Dollars (\$5,800.00)

Notice Address of Landlord (Section 20.1):

Treasure Island Development Authority  
Treasure Island Project Office  
One Avenue of Palms  
Building 1, 2nd Floor  
Treasure Island  
San Francisco, CA 94130

Attn: Robert P. Beck  
Treasure Island Director  
Fax No.: 415-274-0299  
with a copy to:

Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Attn: Charles Sullivan  
Fax No.: (415) 554-4755

Notice Address of Tenant (Section 20.1):

ISLAND MARKET & DELI  
1824 Hoffman Blvd.  
Richmond, CA 94804

Attn: Abdo Ali Nasser  
Phone No. 510-235-6980  
Fax No. 510-237-1167  
Email. [ammornasser@yahoo.com](mailto:ammornasser@yahoo.com)

## 2. PREMISES

**2.1. Leased Premises.** Subject to the terms, covenants and conditions of this Lease, Landlord leases to Tenant the Premises. Tenant shall have the non-exclusive right to use, together with other tenants in the Facility, the lobbies, corridors, elevators, stairways and other public areas of the Facility and the Property (collectively, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Facility and the Property.

In the event Tenant uses or occupies space outside the Premises without the prior written

consent of Landlord (the "Encroachment Area"), then upon written notice from Landlord ("Notice to Vacate"), Tenant shall immediately vacate such Encroachment Area and pay as additional rent for each day Tenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Landlord's Board of Directors for the Premises or the Facility, or (b) then current fair market rent for such Encroachment Area, as reasonably determined by Landlord (the "Encroachment Area Charge"). If Tenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period shall be prorated based on a thirty (30) day month. In no event shall acceptance by Landlord of the Encroachment Area Charge be deemed a consent by Landlord to the use or occupancy of the Encroachment Area by Tenant or a waiver (or be deemed as waiver) by Landlord of any and all other rights and remedies of Landlord under this Lease (including Tenant's obligation to indemnify, defend and hold Landlord harmless as set forth in the last paragraph of this Section 2.1), at law or in equity.

In addition to the foregoing amount, Tenant shall pay to Landlord, as additional rent, an amount equaling Two Hundred Dollars (\$200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Landlord determines during subsequent inspection(s) that Tenant has failed to vacate the Encroachment Area, then Tenant shall pay to Landlord, as additional rent, an amount equaling Three Hundred Dollars (\$300.00) for each additional Notice to Vacate, if applicable, delivered by Landlord to Tenant following each inspection. The parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Landlord will incur by reason of Landlord's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Tenant's failure to comply with the applicable Notice to Vacate and Landlord's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights and remedies of Landlord under this Lease, at law or in equity. The amounts set forth in this Section 2.1 shall be due within three (3) business days following the applicable Notice to Vacate and/or separate invoice relating to the actual cost associated with a survey of the Encroachment Area.

In addition to the rights and remedies of Landlord as set forth in the immediately foregoing two paragraphs of this Section 2.1, the terms and conditions of the indemnity and exculpation provision set forth in Section 15 below shall also apply to Tenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Tenant shall additionally indemnify, defend and hold Landlord harmless from and against any and all loss or liability resulting from delay by Tenant in so surrendering the Encroachment Area including, without limitation, any loss or liability resulting from any claims against Landlord made by any tenant or prospective tenant founded on or resulting from such delay and losses to Landlord due to lost opportunities to lease any portion of the Encroachment Area to any such tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 2.1 and the reasonableness of the amount of the charges described in this Section 2.1.

Initials: \_\_\_\_\_ Landlord \_\_\_\_\_ Tenant

## **2.2. As Is Condition of Premises.**

(a) **Inspection of Premises.** Tenant represents and warrants that Tenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Tenant's Agents"), of the Premises and the suitability of the Premises for Tenant's intended use. Tenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Tenant acknowledges its receipt and review of the Seismic Report referenced in Section 2.2(c) below and the Joint Inspection Report.

(b) **As Is; Disclaimer of Representations.** Tenant acknowledges and agrees that the Premises are being leased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Lease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Tenant acknowledges and agrees that neither Landlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Landlord's Agents") have made, and Landlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Tenant's use and permitted under this Lease, (v) the safety of the Premises, whether for the use by Tenant or any other person, including Tenant's Agents or Tenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or Tenants ("Tenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including,

without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) **Seismic Report.** Without limiting Section 2.2(b) above, Tenant expressly acknowledges for itself and Tenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Tenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

(d) **Navy Deed.** Tenant understands that the Navy made certain disclosures and retained certain rights in and to the Premises, as set forth in the Navy Deed. The Navy has the right to perform any remedial actions that may be necessary to protect human health and the environment with respect to any hazardous substance in or around the Premises in accordance with the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9620(h)(3)(A)(ii)(I), and has the right to take some or all of the Premises as may be needed in connection therewith. This Lease is subject and subordinate to the Navy's rights under the Navy Deed, and Tenant acknowledges that Landlord shall have the right to suspend or terminate this Lease, without payment to Tenant, if Navy requires use of the Premises as set forth in the Navy Deed.

### **3. TERM**

**3.1. Term of Lease.** The term of this Lease (the "Term") shall commence on the Commencement Date set forth in the Basic Lease Information, and expire on the Expiration Date set forth in the Basic Lease Information, unless sooner terminated pursuant to the terms of this Lease.

**3.2. Effective Date.** This Lease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Lease, (ii) Landlord's Board of Director's approval of this Lease at a duly noticed meeting, if such approval is required, or (iii) the Commencement Date.

**3.3. Termination.** As set forth in the Basic Lease Information (Term), either Landlord or Tenant, each in their sole discretion, may terminate this Lease for any reason without liability or expense upon delivery of not less than thirty (30) days' prior written notice to the other party. Tenant agrees and shall be required to surrender possession of the Premises by the end of such

thirty (30) day period.

**3.4. No Relocation Assistance.** Tenant acknowledges that Tenant has previously been informed that the Property subject to this Lease is part of an area that is proposed for redevelopment and that this Lease may be terminated by Landlord or Tenant may be required to move from the Property to accommodate the redevelopment project. Tenant acknowledges that, if this Lease is terminated or Tenant is asked to move, it will not be a displaced person as that term is defined under the California Government Code Section 7260 et seq. ("California Relocation Act") and the Uniform Relocation Assistance and Real Property Policies Act, 42 U.S.C. 4601 et seq. ("URA"), and that Tenant will not be entitled to any relocation benefits provided under the California Relocation Act and the URA, including any moving expenses, reimbursement for costs associated with increased rent, loss of goodwill or other costs related to the termination of Tenant's Lease and Tenant's relocation from the Premises. Tenant fully RELEASES AND DISCHARGES forever any and all claims against, and covenants not to sue, Landlord, its departments, commissions, officers, directors and employees, agents, contractors and successors and assigns and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Landlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq., and the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. 4601, et seq.). Tenant understands and acknowledges that Landlord would not be willing to enter into this Lease without Tenant's agreement that it is not entitled to any relocation benefits or assistance.

Initials: \_\_\_\_\_ Tenant

#### **4. RENT**

**4.1. Base Rent.** Throughout the Term, beginning on the Commencement Date, Tenant shall pay to Landlord Base Rent in the amount set forth in the Basic Lease Information. Base Rent shall be paid to Landlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Landlord provided in Section 20.1 hereof or such other place as Landlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Lease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

**4.2. Adjustments in Base Rent.** If this Lease has not been terminated, then on each Rent Adjustment Date set forth in the Basic Lease Information, the Base Rent shall be increased by the Rent Increase Percentage set forth in the Basic Lease Information.

**4.3. Additional Charges.** In addition to Base Rent, Tenant shall pay all other charges related to the Premises otherwise payable by Tenant to Landlord hereunder, including, without

limitation, all late charges and default interest attributable to late payments and/or defaults of Tenant hereunder, all utility charges, and any amounts other than Base Rent that shall become due and payable by Tenant under this Lease (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

**4.4. Late Charge.** If Tenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Landlord and Tenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Landlord will incur as a result of any such failure by Tenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Landlord for its damages resulting from such failure to pay and Tenant shall promptly pay such charge to Landlord together with such unpaid amount.

**4.5. Default Interest.** If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Tenant nor on any amounts on which late charges are paid by Tenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Tenant.

## 5. TAXES, ASSESSMENTS AND OTHER EXPENSES

### 5.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) **Payment Responsibility.** Tenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Tenant's Personal Property, or Tenant's use of the Premises or any Alterations during the Term. Tenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Landlord receives the tax bill directly from the taxing authority, Tenant shall reimburse Landlord for payment of such sums immediately upon demand.

(b) **Taxability of Possessory Interest.** Without limiting the foregoing, Tenant recognizes and agrees that this Lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens.** Tenant shall not allow or suffer a lien for any taxes payable by Tenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to

delinquency.

(d) **Reporting Information**. Tenant agrees to provide such information as Landlord may request to enable Landlord to comply with any possessory interest tax reporting requirements applicable to this Lease.

**5.2. Evidence of Payment.** Tenant shall, upon Landlord's request, furnish to Landlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Landlord, evidencing payment thereof.

## **6. USE; COVENANTS TO PROTECT PREMISES**

**6.1. Tenant's Permitted Use.** Tenant may use the Premises for the Permitted Use set forth in the Basic Lease Information, but for no other purpose without the prior written consent of Landlord, which consent may be given or withheld in Landlord's sole and absolute discretion.

**6.2. Tenant's Access to the Premises.** Tenant shall have access to the Premises on a twenty four (24) hours per day, seven (7) days per week basis.

**6.3. Rules and Regulations.** Tenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Landlord from time to time.

**6.4. Easements.** This Lease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Landlord shall determine to be in the public interest ("Additional Easements"); provided that, Landlord shall use its best efforts to minimize any interference with Tenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Tenant for such damages as Tenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

**6.5. No Interference with Navy Operations.** Tenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Navy's

operations or environmental clean-up or restoration actions by the Navy, Landlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Tenant's use of the Premises in the event of any conflict; provided, however, in such event, Navy and Landlord shall use their best efforts to minimize any disruption of Tenant's operation.

**6.6. No Unlawful Uses, Nuisances or Waste.** Without limiting the foregoing, Tenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Tenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises. Tenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

## 7. ALTERATIONS

**7.1. Alterations.** Tenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Landlord's prior written consent in each instance, which consent may be given or withheld in Landlord's sole and absolute discretion. Subject to Landlord's consent as provided above, any Alterations shall be done at Tenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Landlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Landlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Landlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Tenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Landlord. No material change from the plans and specifications for any Alterations approved by Landlord may be made without Landlord's prior consent. Landlord and Landlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

(a) **Asbestos-Containing Materials.** Without limiting Section 24.2 (No Hazardous Materials) below, in the event that asbestos-containing materials ("ACM") are determined to exist in or about the Premises, Tenant shall ensure that all Alterations and any asbestos related work, as defined in California Health & Safety Code Section 25914.1(b), is performed in compliance with all laws relating to asbestos, including but not limited to California Occupational Safety and Health (OSHA) regulations found in Title 8 of the California Code of Regulations, Sections 1502 and 1529. Additionally, Tenant shall distribute notifications to all employees and contractors as required pursuant to California Health & Safety Code Section 25915 et seq. informing them of the existence of ACM and that moving, drilling, boring, or otherwise disturbing ACM may present a health risk and should not be attempted by an unqualified employee. No Alterations affecting ACM-containing areas or any asbestos related

work shall be performed without Landlord's prior written consent in each instance.

**(b) Tenant's Improvements or Alterations that Disturb or Remove Lead Based Paint.**

Tenant shall comply with all requirements of the San Francisco Building Code, Section 3407, and all other applicable present or future federal, state, local and administrative laws, rules, regulations, orders and other governmental requirements, the requirements of any board of fire underwriters or other similar body, any directive or occupancy certificate issued pursuant to any law by any public officer or officers acting in their regulatory capacity (collectively, "Laws"), including, without limitation, the California and United States Occupational Health and Safety Acts and their implementing regulations, when the work of improvement or alteration disturbs or removes exterior lead-based or "presumed" lead-based paint (as defined below). Tenant shall give to Landlord three (3) business days prior written notice of any disturbance or removal of exterior lead-based or presumed lead-based paint. Further, Tenant, when disturbing or removing exterior lead-based or presumed lead-based paint, shall not use or cause to be used any of the following methods: (a) acetylene or propane burning and torching; (b) scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter ("HEPA") local vacuum exhaust tool; (c) hydroblasting or high pressure wash without containment barriers; (d) abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and (e) heat guns operating above 1,100 degrees Fahrenheit. Paint on the exterior of buildings built before December 31, 1978, is presumed to be lead-based paint unless lead-based paint testing, as defined in Section 3407 of the San Francisco Building Code, demonstrates an absence of lead-based paint on the exterior surfaces of such buildings. Under this Section, lead based paint is "disturbed or removed" if the work of improvement or alteration involves any action that creates friction, pressure, heat or a chemical reaction upon any lead-based or presumed lead-based paint on an exterior surface so as to abrade, loosen, penetrate, cut through or eliminate paint from that surface. Notice to Landlord under this Lease shall not constitute notice to the City's Department of Building Inspection required under Section 3407 of the San Francisco Building Code.

**7.2. Historic Properties.** Without limiting the generality of the foregoing, Tenant acknowledges and agrees that no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Landlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

**7.3. Ownership of Alterations.** Any Alterations constructed on or affixed to the Premises by or on behalf of Tenant pursuant to the terms and limitations of this Section 7 shall be and remain Tenant's property during the Term. Upon the termination of this Lease, Tenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 18 hereof, unless Landlord, at its sole option and without limiting any of the provisions of Section 7.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Lease.

**7.4. Tenant's Personal Property.** All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Tenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Tenant's Personal Property") shall be and remain the property of Tenant and shall be removed by Tenant, subject to the provisions of Section 19 hereof. Tenant shall be solely responsible for providing any security or other protection of or maintenance to Tenant's Personal Property.

**7.5. Landlord's Alterations.** Landlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

## **8. REPAIRS AND MAINTENANCE**

**8.1. Tenant Responsible for Maintenance and Repair.** Tenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Landlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Landlord be liable for any portion of the cost thereof. Tenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Landlord's reasonable satisfaction, provided, however, that neither Tenant nor Landlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Tenant or Tenant's Agents or Tenant's Invitees hereunder, Tenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

**8.2. Utilities.** Landlord shall provide the basic utilities and services described in the attached Exhibit E (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Tenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Tenant may need for its use of the Premises. Tenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

**8.3. Landscaping.** Landlord shall maintain the exterior landscaping of the Premises in good condition and repair.

**8.4. Janitorial Services.** Tenant shall provide all janitorial services for the Premises.

**8.5. Pest Control.** Tenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

**8.6. Trash.** Tenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit D. Tenant shall pay for the removal of trash from the designated containers. Tenant shall abide by all rules established by Landlord for the handling of trash.

**8.7. No Right to Repair and Deduct.** Tenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Tenant to make repairs or replacements at Landlord's expense, or to terminate this Lease because of Landlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Tenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Tenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Tenant to terminate this Lease and with respect to any obligations of Landlord hereunder or any right of Tenant to make repairs or replacements and deduct the cost thereof from Rent.

## **9. LIENS**

**10.1. Liens.** Tenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Tenant. In the event Tenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Landlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Landlord by Tenant upon demand. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Landlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Tenant shall give Landlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

## **10. COMPLIANCE WITH LAWS**

**10.1. Compliance with Laws.** Tenant shall promptly, at its sole expense, maintain the Premises and Tenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Tenant shall not be required to make repairs or structural changes to the

Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Tenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Tenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.* and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in this Lease below), and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Tenant any right to seek redress against Landlord for failing to comply with any Laws. Tenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Landlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

#### **10.2. Regulatory Approvals; Responsible Party.**

Tenant understands and agrees that Tenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Tenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Tenant shall not seek any regulatory approval without first obtaining the written consent of Landlord. Tenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Tenant, and Landlord shall have no liability, monetary or otherwise, for any such fines or penalties. Tenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Landlord, and City, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Tenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

#### **10.3. Compliance with Landlord's Risk Management Requirements.** Tenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Landlord from any potential premises liability. Tenant shall faithfully observe, at its expense, any and all reasonable requirements of Landlord's Risk Manager with respect thereto

and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

## **11. ENCUMBRANCES**

Notwithstanding anything to the contrary contained in this Lease, Tenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Landlord's or Tenant's interest under this Lease.

## **12. DAMAGE OR DESTRUCTION**

**12.1. Damage or Destruction to the Premises.** In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Tenant or Tenant's Agents or Tenant's Invitees, (ii) is not covered by the insurance described in Section 16 below, (iii) prevents Tenant from operating the Premises for the purposes stated herein, and (iv) costs more to repair than the Repair amount set forth in the Basic Lease Information, either party may terminate this Lease upon thirty (30) days prior written notice and upon any such termination Tenant shall surrender the Premises in accordance with Section 18 (except for damage caused by a casualty pursuant to which this Lease may be terminated under this Section 12.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Lease as provided in this Section 12.1, then Tenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 7.1 above. Under no circumstances shall Landlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

**12.2. No Abatement in Rent.** In the event of any damage or destruction to the Premises, and if neither party terminates this Lease as provided in Section 12.1 above, there shall be no abatement in the Rent payable hereunder.

**12.3. Waiver.** The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Landlord and Tenant each hereby waives and releases any right to terminate this Lease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

## **13. ASSIGNMENT AND SUBLetting**

**13.1. Restriction on Assignment and Subletting.** Tenant shall not directly or indirectly

(including, without limitation, by merger, acquisition or other transfer of any controlling interest in Tenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, Lease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Lease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Landlord's prior written consent in each instance, which Landlord may grant or withhold in its sole and absolute discretion. Tenant shall provide Landlord with a written notice of its intention to Transfer this Lease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Tenant shall provide Landlord with such information regarding the proposed Transfer as Landlord may reasonably request.

**13.2. Bonus Rental.** If Landlord consents to a Transfer of any of Tenant's interest in or rights with respect to the Premises pursuant to Section 13.1 above, then one hundred percent (100%) of any rent or other consideration payable to Tenant in excess of the Base Rent payable hereunder (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) shall be paid to Landlord immediately upon receipt by Tenant.

## **14. DEFAULT; REMEDIES**

**14.1. Events of Default.** Any of the following shall constitute an event of default ("Event of Default") by Tenant hereunder:

- (a) Failure to Pay Rent.** Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;
- (b) Covenants, Conditions and Representations.** Any failure to perform or comply with any other covenant, condition or representation made under this Lease; provided, Tenant shall have a period of ten (10) days from the date of written notice from Landlord of such failure within which to cure such default under this Lease, or, if such default is not capable of cure within such 10-day period, Tenant shall have a reasonable period to complete such cure if Tenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Landlord;
- (c) Vacation or Abandonment.** Any abandonment of the Premises for more than fourteen (14) consecutive days;
- (d) Bankruptcy.** The appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted; and

(e) **Notices of Default.** The delivery to Tenant of three (3) or more notices of default within any twelve (12) month period, irrespective of whether Tenant actually cures such default within the specified time period, may, in the sole and absolute discretion of the Authority, be deemed an incurable breach of this Lease allowing the Authority to immediately terminate this Lease without further notice or demand to Tenant.

**14.2. Remedies.** Upon the occurrence of an Event of Default by Tenant, Landlord shall have the following rights and remedies in addition to all other rights and remedies available to Landlord at Law or in equity:

(a) **Terminate Lease and Recover Damages.** The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Tenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Tenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Landlord's efforts to mitigate the damages caused by Tenant's breach of this Lease shall not waive Landlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver.** The right to have a receiver appointed for Tenant upon application by Landlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Landlord pursuant to this Lease.

**14.3. Landlord's Right to Cure Tenant's Defaults.** If Tenant defaults in the performance of any of its obligations under this Lease, then Landlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Landlord where prior notice by Landlord is impractical), remedy such Event of Default for Tenant's account and at Tenant's expense. Tenant shall pay to Landlord, as Additional Charges, promptly upon demand, all sums expended by Landlord, or other costs, damages, expenses or liabilities incurred by Landlord, including, without limitation, reasonable attorneys' fees, in remediating or attempting to remedy such Event of Default. Tenant's obligations under this Section shall survive the termination of this Lease. Nothing herein shall imply any duty of Landlord to do any act that Tenant is obligated to perform under any provision of this Lease, and Landlord's cure or attempted cure of Tenant's Event of Default shall not constitute a waiver of Tenant's Event of Default or any rights or remedies of Landlord on account of such Event of Default.

## **15. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION**

**15.1. Release and Waiver of Claims.** Tenant, on behalf of itself and Tenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Tenant for, and, to the fullest extent allowed by any Laws, Tenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to,

incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Tenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Tenant's uses hereunder. Landlord would not be willing to enter into this Lease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Tenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Tenant or other waivers contained in this Lease and as a material part of the consideration for this Lease, Tenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Lease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Tenant pursuant to this Lease regardless of the cause.

(b) Without limiting any indemnification obligations of Tenant or other waivers contained in this Lease and as a material part of the consideration for this Lease, Tenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Landlord terminates this Lease because of such claim for inverse condemnation or eminent domain.

(c) As part of Tenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Tenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Tenant's intended use.

(d) Tenant acknowledges that it will not be a displaced person at the time this Lease is terminated, and Tenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state

relocation assistance laws.

(e) Without limiting any other waiver contained herein, Tenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' decision to Lease the Premises to Tenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Tenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 15.1.

(g) In executing these waivers and releases, Tenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Tenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Tenant regardless of any claims of mistake.

(i) In connection with the foregoing releases, Tenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Tenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Tenant realizes and acknowledges that it has agreed upon this Lease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Lease.

**15.2. Tenant's Indemnity.** Tenant, on behalf of itself and Tenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Tenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Tenant or Tenant's Agents or Tenant's Invitees; (b) any accident, injury to or death of a person,

including, without limitation, Tenant's Agents and Tenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Tenant in the observation or performance of any of the terms, covenants or conditions of this Lease to be observed or performed on Tenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Tenant, Tenant's Agents or Tenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) any construction or other work undertaken by Tenant on or about the Premises; and (f) any acts, omissions or negligence of Tenant, Tenant's Agents or Tenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Lease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Landlord's costs of investigating any Loss. Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Landlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by Landlord and continues at all times thereafter. Tenant's obligations under this Section shall survive the expiration or sooner termination of this Lease.

## 16. INSURANCE

**16.1. Required Insurance Coverage.** Tenant, at its sole cost and expense, shall maintain, or cause to be maintained, through the Term of this Lease, the following insurance:

(a) **General Liability Insurance.** Comprehensive or commercial general liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, Two Million Dollars (\$2,000,000) aggregate for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than One Million Dollars (\$1,000,000), explosion, collapse and underground (XCU).

(b) **Automobile Liability Insurance.** Comprehensive or business automobile liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Tenant's activity on the Premises or the Permitted Use.

(c) **Worker's Compensation and Employer's Liability Insurance.** If Tenant has employees, Worker's Compensation Insurance in statutory amounts with Employer's Liability with limits not less than One Million Dollars (\$1,000,000.00) for each accident, injury or illness,

on employees eligible for each.

(d) **Personal Property Insurance.** Tenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by Tenant for the replacement of Tenant's personal property.

(e) **Other Coverage.** Such other insurance or different coverage amounts as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager.

**16.2. Claims-Made Policies.** If any of the insurance required in Section 16.1 above is provided under a claims-made form of policy, Tenant shall maintain such coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Lease, to the effect that should occurrences during the Term give rise to claims made after termination of this Lease, such claims shall be covered by such claims-made policies.

**16.3. Annual Aggregate Limits.** If any of the insurance required in Section 16.1 above is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

**16.4. Payment of Premiums.** Tenant shall pay the premiums for maintaining all required insurance.

**16.5. Waiver of Subrogation Rights.** Notwithstanding anything to the contrary contained herein, Landlord and Tenant (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Facility or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Lease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Facility or the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

**16.6. General Insurance Matters.**

(a) All liability insurance policies required to be maintained by Tenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO,

AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds with respect to claims arising under this Lease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

- (b) All insurance policies required to be maintained by Tenant hereunder shall be issued by an insurance company or companies reasonably acceptable to Landlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.
- (c) All insurance policies required to be maintained by Tenant hereunder shall provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Tenant and Landlord. Such notice shall be given in accordance with the notice provisions of Section 20.1 below.
- (d) Tenant shall deliver to Landlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Landlord evidencing the coverages required herein, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Tenant shall, upon Landlord's request, promptly furnish Landlord with a complete copy of any insurance policy required hereunder.
- (e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Landlord may require Tenant to increase the insurance limits set forth in Section 16.1 above if Landlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Tenant with respect to risks comparable to those associated with the use of the Premises.
- (f) Tenant's compliance with the provisions of this Section shall in no way relieve or decrease Tenant's indemnification obligations herein or any of Tenant's other obligations or liabilities under this Lease.
- (g) Notwithstanding anything to the contrary in this Lease, Landlord may elect in Landlord's sole and absolute discretion to terminate this Lease upon the lapse of any required insurance coverage by written notice to Tenant.

## 17. ACCESS BY LANDLORD

### 17.1. Access to Premises by Landlord.

- (a) **General Access.** Landlord reserves for itself and Landlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Tenant (except in the event of an emergency) for any purpose.

(b) **Emergency Access.** In the event of any emergency, as determined by Landlord, Landlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Tenant's Personal Property on or about the Premises. Landlord shall have the right to use any and all means Landlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Landlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.

(c) **No Liability.** Landlord shall not be liable in any manner, and Tenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Landlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Landlord or Landlord's Agents and not contributed to by the acts, omissions or negligence of Tenant, Tenant's Agents or Tenant's Invitees.

**17.2. Access to Premises by Landlord.** Tenant acknowledges and agrees that Landlord shall have all of the rights of access to the Premises described in the Lease.

## **18. SURRENDER**

**18.1. Surrender of the Premises.** Upon the termination of this Lease, Tenant shall surrender to Landlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Tenant. On or before any termination hereof, Tenant shall, at its sole cost, remove any and all of Tenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Landlord agrees are to remain part of the Premises pursuant to the provisions of Section 7.3 above). In addition, Tenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Tenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Tenant's obligations under this Section shall survive the termination of this Lease. Any items of Tenant's Personal Property remaining on or about the Premises after the termination of this Lease may, at Landlord's option and after thirty (30) days written notice to Tenant, be deemed abandoned and in such case Landlord may dispose of such property in accordance with Section 1980, et seq., of the California Civil Code or in any other manner allowed by Law.

**18.2. No Holding Over.** If Tenant fails to surrender the Premises to Landlord upon the termination of this Lease as required by this Section, Tenant shall Indemnify Landlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Tenant resulting from Tenant's failure to surrender the Premises. Tenant shall have no right to hold over

without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion. If Landlord holds over the Premises or any part thereof after expiration or earlier termination of this Lease, such holding over shall be terminable upon written notice by Landlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Lease. This Section shall not be construed as Landlord's permission for Tenant to hold over. Acceptance of any holdover Base Rent by Landlord following expiration or termination of this Lease shall not constitute an extension or renewal of this Lease.

**18.3. Security Deposit.** Tenant shall pay to Landlord upon execution of this Lease a security deposit in the amount set forth in the Basic Lease Information as security for the faithful performance of all terms, covenants and conditions of this Lease. Tenant agrees that Landlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Tenant, Tenant's Agents or Tenant's Invitees, or any failure of Tenant to perform any other terms, covenants or conditions contained in this Lease, without waiving any of Landlord's other rights and remedies hereunder or at Law or in equity. Should Landlord use any portion of the security deposit to cure any Event of Default by Tenant hereunder, Tenant shall immediately replenish the security deposit to the original amount, and Tenant's failure to do so within five (5) days of Landlord's notice shall constitute a material Event of Default under this Lease. Landlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Landlord shall not be required to keep the security deposit separate from its general funds, and Tenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Tenant's liability for the performance of any of its obligations under this Lease. To the extent that Landlord is not entitled to retain or apply the security deposit pursuant to this Section 18.3, Landlord shall return such security deposit to Tenant within forty-five (45) days of the termination of this Lease.

## **19. HAZARDOUS MATERIALS**

**19.1. No Hazardous Materials.** Tenant covenants and agrees that neither Tenant nor any of Tenant's Agents or Tenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 *et seq.*), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought

upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Landlord, which approval may be withheld in Landlord's sole and absolute discretion. Tenant shall immediately notify Landlord if and when Tenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Landlord may from time to time request Tenant to provide adequate information for Landlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Tenant shall promptly provide all such information. Landlord and Landlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Tenant (except in the event of an emergency). Tenant agrees that it shall comply, without limiting the foregoing, with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan. Tenant agrees that it shall comply with the restrictions or limitations set forth in the Navy Deed, the Covenant to Restrict Use of Property (the "CRUP", if any relate to the Premises), and any additional requirements imposed by regulators with jurisdiction over the Premises.

**19.2. Tenant's Environmental Indemnity.** If Tenant breaches any of its obligations contained in Section 19.1 above, or, if any act or omission or negligence of Tenant or any of Tenant's Agents or Tenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leaching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Tenant's general Indemnity contained in Section 15.2 above, Tenant, on behalf of itself and Tenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Landlord, Landlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Lease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Landlord property. Without limiting the foregoing, if Tenant or any of Tenant's Agents or

Tenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Tenant shall, immediately, at no expense to Landlord, take any and all appropriate actions to return the Premises or other Landlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Tenant shall provide Landlord with written notice of and afford Landlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

**19.3.** Acknowledgment of Receipt of EBS and FOST. Tenant hereby acknowledges for itself and its Agents that, prior to the execution of this Lease, Tenant has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Transfer ("FOST") issued by the Navy. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Tenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOST. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Lease, Tenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

## **20. GENERAL PROVISIONS**

**20.1. Notices.** Except as otherwise expressly provided in this Lease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Lease Information. Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 20.1 and applicable Laws, shall be deemed receipt of such notice.

**20.2. No Implied Waiver.** No failure by Landlord to insist upon the strict performance of any obligation of Tenant under this Lease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and

no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Landlord, shall constitute a waiver of such breach or of Landlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Lease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Landlord given in any instance under the terms of this Lease shall not relieve Tenant of any obligation to secure the consent of Landlord in any other or future instance under the terms of this Lease.

**20.3. Amendments.** Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

**20.4. Authority.** If Tenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing entity, that Tenant has and is qualified to do business in California, that Tenant has full right and authority to enter into this Lease, and that each and all of the persons signing on behalf of Tenant are authorized to do so. Upon Landlord's request, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Tenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a Lease containing those provisions and their legal effect.

**20.5. Joint and Several Obligations.** The word "Tenant" as used herein shall include the plural as well as the singular. If there is more than one Tenant, the obligations and liabilities under this Lease imposed on Tenant shall be joint and several.

**20.6. Interpretation of Lease.** The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Lease. Provisions in this Lease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Landlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein,

whenever the consent of Landlord is required to be obtained by Tenant hereunder, Landlord may give or withhold such consent in its sole and absolute discretion.

**20.7. Successors and Assigns.** Subject to the provisions of Section 13, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Landlord (or by any subsequent Landlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Landlord (or any subsequent Landlord) shall be relieved from all subsequent obligations and liabilities arising under this Lease subsequent to such transfer.

**20.8. Brokers.** Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Lease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.

**20.9. Severability.** If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the fullest extent permitted by Law.

**20.10. Governing Law.** This Lease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

**20.11. Entire Agreement.** This instrument (including the exhibits hereto, which are made a part of this Lease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Lease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Lease. Tenant hereby acknowledges that neither Landlord nor Landlord's Agents have made any representations or warranties with respect to the Premises or this Lease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise unless expressly set forth herein.

**20.12. Attorneys' Fees.** In the event that either Landlord or Tenant fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or

interpretation of any provision of this Lease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Lease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Landlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Lease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

**20.13. Time of Essence.** Time is of the essence with respect to all provisions of this Lease in which a definite time for performance is specified.

**20.14. Cumulative Remedies.** All rights and remedies of either party hereto set forth in this Lease shall be cumulative, except as may otherwise be provided herein.

**20.15. Survival of Indemnities.** Termination of this Lease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Lease, nor shall it affect any provision of this Lease that expressly states it shall survive termination hereof. Tenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Lease, Tenant has an immediate and independent obligation to defend Landlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by Landlord and continues at all times thereafter.

**20.16. Relationship of Parties.** Landlord is not, and none of the provisions in this Lease shall be deemed to render Landlord, a partner in Tenant's business, or joint venturer or member in any joint enterprise with Tenant. This Lease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Lease by Landlord does not constitute authorization or approval by Landlord of any activity conducted by Tenant on, in or relating to the Premises.

**20.17. Recording.** Tenant agrees that it shall not record this Lease nor any memorandum or short form hereof in the official records of any county.

**20.18. Non-Liability of Indemnified Parties' Officials, Employees and Agents.** No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Tenant, its successors and assigns, in the event of any default or breach by Landlord or for any amount which may become due to Tenant, its successors and assigns, or for any obligation of Landlord under this Lease.

**20.19. Counterparts.** This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

## **21. SPECIAL PROVISIONS**

**21.1. Signs.** Tenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Landlord's prior written consent, which Landlord may withhold or grant in its sole discretion.

**21.2. Public Transit Information.** Tenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Tenant's sole expense.

**21.3. TIHDI Job Broker.** Tenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit F.

**21.4. Local Hiring.** Tenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Tenant's personnel needs and to contract with local businesses for Tenant's purchase of supplies, materials, equipment or services.

### **21.5. Non-Discrimination in City Contracts and Benefits Ordinance.**

**(a) Covenant Not to Discriminate.** In the performance of this Lease, Tenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Tenant in any of Tenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Tenant.

(b) **Subleases and Other Subcontracts.** Tenant shall include in all Subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Tenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subtenants and other subcontractors to comply with such provisions. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) **Non-Discrimination in Benefits.** Tenant does not as of the date of this Lease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Lease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **CMD Form.** As a condition to this Lease, Tenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco City Administrator's Contract Monitoring Division (the "CMD"). Tenant hereby represents that prior to execution of this Lease, (i) Tenant executed and submitted to the CMD Form CMD-12B-101 with supporting documentation; and (ii) the CMD approved such form.

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Tenant shall comply fully with and be bound by all of the provisions that apply to this Lease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Tenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

**21.6. MacBride Principles - Northern Ireland.** The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Tenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing

business in Northern Ireland.

**21.7. Tropical Hardwood and Virgin Redwood Ban.** The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Tenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Lease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Tenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant shall be liable for liquidated damages for each violation in an amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

**21.8. Wages and Working Conditions.** Tenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Tenant provides under this Lease, shall be paid not less than the highest prevailing rate of wages consistent with the requirements of Section 6.22(E) of the San Francisco Administrative Code, and shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Tenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Tenant shall require any contractor to provide, and shall deliver to Landlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

**21.9. Prohibition of Alcoholic Beverage Advertising.** Tenant acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of alcoholic beverages, (ii) encourage people not to drink alcohol or to stop drinking alcohol, or (iii) provide or publicize drug or alcohol treatment or rehabilitation services.

**21.10. Prohibition of Tobacco Sales and Advertising.** Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Landlord or the City, including the Premises and the Property. This advertising prohibition includes the placement of the name of a company producing, selling or

distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

**21.11. Pesticide Prohibition.** Tenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Tenant to submit to Landlord an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the terms of this Lease, (b) describes the steps Tenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as Tenant's primary IPM contact person with the City. In addition, Tenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

**21.12. First Source Hiring Ordinance.** The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Landlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Tenant shall enter into a First Source Hiring Agreement that meets the applicable requirements of Section 83.9 of the First Source Hiring Ordinance.

**21.13. Sunshine Ordinance.** In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

**21.14. Conflicts of Interest.** Through its execution of this Lease, Tenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Tenant becomes aware of any such fact during the Term of this Lease, Tenant shall immediately notify Landlord.

**21.15. Charter Provision.** This Lease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

**21.16. Requiring Health Benefits for Covered Employees.** Unless exempt, Tenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Lease as though fully set forth. The text of the HCAO is available on the web at <http://www.sfgov.org/olse/hcao>. Capitalized terms used in this Section and not defined in this Lease shall have the meanings assigned to such terms in Chapter 12Q.

- (a) For each Covered Employee, Tenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Tenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.
- (b) Notwithstanding the above, if Tenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.
- (c) Tenant's failure to comply with the HCAO shall constitute a material breach of this Lease. Landlord shall notify Tenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Tenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Landlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Landlord.
- (d) Any Subcontract entered into by Tenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Tenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Tenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Landlord may pursue the remedies set forth in this Section against Tenant based on the Subcontractor's failure to comply, provided that Landlord has first provided Tenant with notice and an opportunity to obtain a cure of the violation.
- (e) Tenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Landlord with regard to Tenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for

participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Tenant shall keep itself informed of the current requirements of the HCAO.

(h) Tenant shall provide reports to Landlord in accordance with any reporting standards promulgated by Landlord under the HCAO, including reports on Subcontractors and Tenants, as applicable.

(i) Tenant shall provide Landlord with access to records pertaining to compliance with the HCAO after receiving a written request from Landlord to do so and being provided at least five (5) business days to respond.

(j) Landlord may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant agrees to cooperate with Landlord when it conducts such audits.

(k) If Tenant is exempt from the HCAO when this Lease is executed because its amount is less than Twenty-Five Thousand Dollars (\$25,000) (or [Fifty Thousand Dollars (\$50,000) if Tenant is a qualified nonprofit]), but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with Landlord to reach Seventy-Five Thousand Dollars (\$75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars (\$75,000) in the fiscal year.

**21.17. Notification of Limitations on Contributions.** Through its execution of this Lease, Tenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Tenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Tenant further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Tenant's board of

directors; Tenant's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Tenant; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Tenant. Additionally, Tenant acknowledges that Tenant must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Tenant further agrees to provide Landlord the name of each person, entity or committee described above.

**21.18. Preservation-Treated Wood Containing Arsenic.** As of July 1, 2003, Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Tenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Tenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**21.19. Resource Efficient City Buildings and Pilot Projects.** Tenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Tenant hereby agrees that it shall comply with all applicable provisions of such code sections.

**21.20. Food Service Waste Reduction.** Tenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Lease as though fully set forth. This provision is a material term of this Lease. By entering into this Lease, Tenant agrees that if it breaches this provision, Landlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Tenant agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Landlord will incur based on the violation, established in light of the circumstances existing at the time this Lease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Landlord because of Tenant's failure to comply with this provision.

**21.21. Estoppel Certificates.** At any time and from time to time, within ten (10) days after Landlord's request, Tenant will execute, acknowledge and deliver to Landlord a statement

certifying the following matters: (a) the Commencement Date and Expiration Date of this Lease; (b) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Lease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Landlord. Landlord and Tenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Landlord's interest in the Lease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Tenant irrevocably appoints Landlord, as Tenant's agent, to execute and deliver in the name of Landlord any such instrument if Tenant fails to do so, which failure shall also be an Event of Default under this Lease.

**21.22. Addendum.** The terms of the Addendum, if any, attached to this Lease are incorporated into the Lease by reference. In the event of any inconsistency between the Lease and the Addendum, the terms of the Addendum shall control.

**21.23. Cooperative Drafting.** This Lease has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Lease reviewed and revised by legal counsel. No party shall be considered the drafter of this Lease, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Lease.

#### **22.24 Criminal History in Hiring and Employment Decisions**

(a) Unless exempt, Tenant agrees to comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions; "Chapter 12 T"), which are hereby incorporated as may be amended from time to time, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

(b) Tenant shall incorporate by reference the provisions of Chapter 12T in all Leases of some or all of the Premises, and shall require all subtenants to comply with such provisions. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) Tenant and subtenants shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information

pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Tenant and subtenants shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection (c) above. Tenant and subtenants shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(e) Tenant and subtenants shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(f) Tenant and subtenants shall post the notice prepared by the Office of Labor Standards Enforcement (“OLSE”), available on OLSE’s website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Premises or other workplace at which it is posted.

(g) Tenant and subtenants understand and agree that upon any failure to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T or this Lease, including but not limited to a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Lease.

(h) If Tenant has any questions about the applicability of Chapter 12T, it may contact the City’s Real Estate Division for additional information. City’s Real Estate Division may consult with the Director of the City’s Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

## **22.25 Local Hiring Requirements for Tenant Alterations and Improvements.**

Tenant Alterations and Improvements are subject to the San Francisco Local Hiring Policy for Construction (“**Local Hiring Policy**”) (San Francisco Administrative Code §6.22(G)) unless the Tenant improvements are undertaken and contracted for by Tenant and are estimated to cost less than \$750,000 per building permit; or meet any of the other exemptions in San Francisco Administrative Code Section 6.22(G). Accordingly, Tenant, as a condition of this Lease, agrees that, unless subject to an exemption or conditional waiver, Tenant shall comply with the obligations in San Francisco Administrative Code Section 6.22(G), and shall require Tenant's subtenants to comply with those obligations to the extent applicable. The requirements are summarized below. Before starting any Tenant Improvement Work, Tenant shall contact the

City's Office of Economic Workforce and Development ("OEWD") to verify the Local Hiring Policy requirements that apply to the Tenant Improvement Work, and Tenant shall comply with all such requirements. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease and may subject Tenant and its subtenants to the consequences of noncompliance specified in the Local Hiring Policy, including but not limited to penalties.

- (1) For each contractor and subcontractor performing Tenant improvements in amounts exceeding the Threshold Amount for a Covered Project, Tenant and its subtenants shall comply with the applicable mandatory participation levels for Project Work Hours performed by Local Residents, Disadvantaged Workers, and Apprentices set forth in Administrative Code §6.22(G)(4).
- (2) For Covered Projects estimated to cost more than \$1,000,000, prior to commencement of any work subject to the Local Hiring Policy, Tenant and its subtenants shall prepare and submit to Landlord and the City's Office of Economic and Workforce Development (OEWD) for approval a "local hire plan" for the project in accordance with Administrative Code §6.22(G)(6).
- (3) Tenant and its subtenants shall comply with applicable recordkeeping and reporting requirements and shall cooperate in City inspections and audits for compliance with the Local Hiring Policy, including allowing access to employees of its contractors and subcontractors and other witnesses at the Premises.
- (4) Tenant agrees that (i) Tenant shall comply with all applicable requirements of the Local Hiring Policy; (ii) the provisions of the Local Hiring Policy are reasonable and achievable by Tenant and its subtenants; and (iii) Tenant and its subtenants have had a full and fair opportunity to review and understand the terms of the Local Hiring Policy.

## **22.26 Local Hiring Requirements for Special Events.**

Unless exempt, if Tenant has a special event on the premises, Tenant must comply with all applicable provisions of the San Francisco Local Hiring Policy in the performance of construction activities during the set-up, execution and strike of Events of four (4) or more consecutive or non-consecutive days. Before starting any Construction Work for Special Events covered under the Local Hiring Policy, Event Sponsor shall contact the City's Office of Economic Workforce and Development ("OEWD") to verify the Local Hiring Policy requirements that apply to the Special Event, and Event Sponsor shall comply with all such requirements. Failure to comply with the obligations in this subsection shall constitute a material breach and may subject Event Sponsor to the consequences of noncompliance specified in the Local Hiring Policy, including but not limited to penalties.

- (1) For construction work on events covered by the Local Hiring Policy that exceed \$400,000, a budget of construction activities must be submitted with this application for review

by OEWD.

(2) Contractors shall comply with the applicable mandatory participation levels for Project Work Hours performed by Local Residents, Disadvantaged Workers, and Apprentices as set forth in Section 6.22(G)(4).

(3) Contractors shall comply with applicable recordkeeping and reporting requirements and shall cooperate in City inspections and audits for compliance with the Local Hiring Policy, including allowing access to employees of its contractors and subcontractors and other witnesses at the Premises.

**22.27. Bottled Drinking Water.** Unless exempt, Tenant agrees to comply fully with and be bound by all of the provisions of the San Francisco Bottled Water Ordinance, as set forth in San Francisco Environment Code Chapter 24, including the administrative fines, remedies, and implementing regulations provided therein, as the same may be amended from time to time. The provisions of Chapter 24 are incorporated herein by reference and made a part of this Lease as though fully set forth.

Landlord and Tenant have executed this Lease in triplicate as of the date first written above.

**TENANT:**

**ABDO ALI NASSER, a sole proprietor,  
DBA ISLAND MARKET & DELI**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**LANDLORD:**

**TREASURE ISLAND DEVELOPMENT  
AUTHORITY**

By: \_\_\_\_\_

Robert P. Beck  
Treasure Island Director

**APPROVED AS TO FORM:**

**DENNIS J. HERRERA, City Attorney**

By: \_\_\_\_\_  
Deputy City Attorney

Sublease Prepared By: Richard A. Rovetti, Deputy Director of Real Estate \_\_\_\_\_  
(initial)

EXHIBIT A

DIAGRAM OF PREMISES

EXHIBIT A1

NAVY DEED

EXHIBIT B

COVER PAGE OF THE SEISMIC REPORT

**EXHIBIT C**

**RULES AND REGULATIONS**

1. All rules and regulations set out in the Lease shall prevail.
2. No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of Landlord.
3. Tenant's contractors and invitees, while on the Premises or Tenant's parking area, shall be subject to these Rules and Regulations, and will be subject to direction from Landlord and its agents, but will not be an agent or contractor of the Landlord or its agents. Tenant's contractors shall be licensed by the State, insured and bonded at the amount requested by the Landlord.
4. Tenant shall install and maintain at Tenant's expense, any life safety equipment required by governmental rules, regulations or laws to be kept on the Premises.

**EXHIBIT D**

**STANDARD UTILITIES AND SERVICES AND RATES**

Included

## **EXHIBIT E**

### **TIHDI WORKFORCE HIRING PLAN**

#### **TIHDI Job Broker Program Requirements for Island Tenants**

As part of the workforce hiring goals for Treasure Island, the Treasure Island Development Authority's (TIDA) requires that Island commercial tenants are to make good faith efforts to fill appropriate available on-Island positions through the Treasure Island Homeless Development Initiative (TIHDI) TIHDI Job Broker Program (TJBP). All new non-supervisory positions created by on-Island commercial tenants and businesses should be opened to consideration of TJBP candidates, and San Francisco residents should account for a majority of all new hires by on-Island commercial tenants and businesses.

In order to help commercial tenants reach these goals, the TJBP provides free and immediate access to San Francisco's extensive non-profit employment & training programs and to a resource pool of individuals with varied skill levels and work experience backgrounds.

Through the TJBP, a job description and set of qualification requirements for the new or open position is distributed to the TJBP's network of employment service agencies on behalf of the commercial tenant. Appropriate candidates from these agencies are then referred to the commercial tenant for interviewing. All of the TJBP referrals are required to meet universal standards of job readiness.

To effectively implement the Good Faith provisions of the TJBP, commercial tenants are asked to provide TIHDI with a written plan, list available jobs with TIHDI prior to public advertisement, consider TJBP referrals, and establish an ongoing relationship with the TJBP.

Additionally, if a commercial tenant does not anticipate making any new hires, it can meet its requirements under the TJBP by contracting with one of the two on-Island social enterprise operations: Toolworks Janitorial Services and/or Rubicon Programs Landscaping. Contact the TIHDI Job Broker for these services and for further information on the TIHDI Job Broker System to discuss and develop your workforce hiring plan.

For further information on the TIHDI Job Broker Program, please contact:

**Noel Santos**  
**TIHDI Job Broker**  
**(415) 274-0311 ex. 302**  
**[nsantos@tihdi.org](mailto:nsantos@tihdi.org)**



1 [Lease with Abdo Ali Nasser, a sole proprietor, dba Island Market & Deli, Treasure Island]  
2 **Resolution Approving and Authorizing the Execution of Lease No. 1,012 with Abdo Ali**  
3 **Nasser, a sole proprietor, dba Island Market & Deli, to relocate Island Cove Market to**  
4 **Building 201, Treasure Island**

5 WHEREAS, Former Naval Station Treasure Island is a military base located on  
6 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by  
7 the United States of America, acting by and through the Department of the Navy; and,

8 WHEREAS, The Base was selected for closure and disposition by the Base  
9 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its  
10 subsequent amendments; and,

11 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended  
12 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter  
13 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority  
14 as a redevelopment agency under California redevelopment law with authority over the Base  
15 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the  
16 Base which are subject to Tidelands Trust, vested in the Authority the authority to administer  
17 the public trust for commerce, navigation and fisheries as to such property; and,

18 WHEREAS, The Board of Supervisors approved the designation of the Authority as a  
19 redevelopment agency for Treasure Island in 1997; and,

20 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of  
21 the Authority as the redevelopment agency for Treasure Island under California Community  
22 Redevelopment Law in Resolution No. 11-12; and that such rescission does not affect  
23 Authority's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust  
24 trustee for the portions of Treasure Island subject to the Tidelands Trust, or any of the other  
25 powers or authority; and,

1                WHEREAS, Abdo Ali Nasser, a sole proprietor, dba Island Market & Deli  
2 (hereafter referred to as "Island Market"), has been a tenant in good standing with the  
3 Authority for over seven years providing comprehensive food options for Island residential and  
4 commercial tenants as well as Island visitors; and,

5                WHEREAS, In 2008 and 2012, Island Market made improvements to both Buildings  
6 146 (the former entrance guardhouse) and 449 (the former Navy Reserve Training Building)  
7 to create TI Market & Deli and Island Cove Market, Treasure Island's first full service grocery  
8 store complete with delicatessen, fresh meat/poultry, and produce; and,

9                WHEREAS, On May 29, 2015, the Navy transferred all of its property on Yerba Buena  
10 Island and portions of Treasure Island to the Authority, and Major Phase 1 planned under the  
11 Treasure Island Development Project (hereafter referred to as "Development Project")  
12 commences in early 2016 including the deconstruction of several structures on Treasure  
13 Island including Building 449, resulting in the Authority and Island Market agreeing to relocate  
14 Island Cove Market to Building 201, located on Avenue H at 9<sup>th</sup> Street; and,

15                WHEREAS, Building 201 is within Major Phase 4 of the Development Project and as a  
16 result is not anticipated to be developed for several years; and,

17                WHEREAS, The Authority is seeking to enter into a new three (3) year lease with  
18 Island Market commencing on December 1, 2015 and ending November 30, 2018 for  
19 approximately 10,000 square feet of space located on the northwest side of Building 201 at a  
20 Base Rent consistent with the Authority's Minimum Monthly Rent Schedule; and,

21                WHEREAS, The proposed Lease will allow for 455 days of Early Entry in consideration  
22 for expenses related to dismantling and relocation of Island Cove Market from Building 449 to  
23 Building 201 as well as impacts related to loss of business during the move; and,

24  
25

1           WHEREAS, Although the Authority's Interim Subleasing Policy allows a maximum of  
2 31 days Early Entry, in consideration for expenses related to dismantling and relocation of  
3 Island Cove Market from Building 449 to Building 201 as well as impacts related to loss of  
4 business during the move, Authority Staff believes 455 days of early entry commencing on  
5 December 1, 2015 and ending November 30, 2018 , represents fair market value at this time;  
6 now, therefore, be it

7           RESOLVED, That the Board of Directors hereby approves Lease No. 1,012 with Abdo  
8 Ali Nasser, a sole proprietor, dba Island Market & Deli, and authorizes the Treasure Island  
9 Director or his designee to execute said Lease in substantially the form attached hereto as  
10 Exhibit A; and be it

11           FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into  
12 the Lease will serve the goals of the Authority and the public interests of the City, and (ii) the  
13 terms and conditions of the Lease are economically reasonable; and be it

14           FURTHER RESOLVED, That the Board of Directors hereby authorizes the Treasure  
15 Island Director to enter into any additions, amendments or other modifications to the Lease  
16 that the Treasure Island Director determines in consultation with the City Attorney are in the  
17 best interests of the Authority, that do not materially increase the obligations or liabilities of the  
18 Authority, that do not materially reduce the rights of the Authority, and are necessary or  
19 advisable to complete the preparation and approval of the Lease, such determination to be  
20 conclusively evidenced by the execution and delivery by the Treasure Island Director of the  
21 documents and any amendments thereto.

22

23

24

25

### CERTIFICATE OF SECRETARY

2 I hereby certify that I am the duly elected Secretary of the Treasure Island  
3 Development Authority, a California nonprofit public benefit corporation, and that the  
4 above Resolution was duly adopted and approved by the Board of Directors of the  
5 Authority at a properly noticed meeting on November 18, 2015.

Jean-Paul Samaha, Secretary













November 18, 2015

Treasure Island Development Authority Board  
Construction Schedule Update



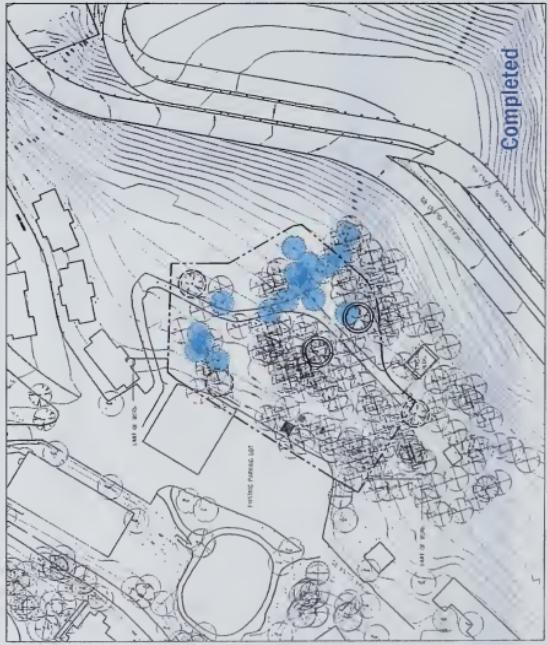
# AGENDA

- Construction Schedule
- Yerba Buena Island Construction Activities
  - Tree Removal
  - Demolition
  - Water Tanks
  - Infrastructure
- Treasure Island Construction Activities
  - Demolition
  - Geotechnical Stabilization
  - Infrastructure

ACTIVITY	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
	Land Conveyance	Treasure Island	Yerba Buena Island	Treasure Island						
Tree Removals										
Demolition										
Geotechnical Improvements / Mass Grading										
Infrastructure Construction										

# CONSTRUCTION ACTIVITIES - Yerba Buena Island

## Tree Removals



# CONSTRUCTION ACTIVITIES - Yerba Buena Island

## Abatement, Salvage & Demolition

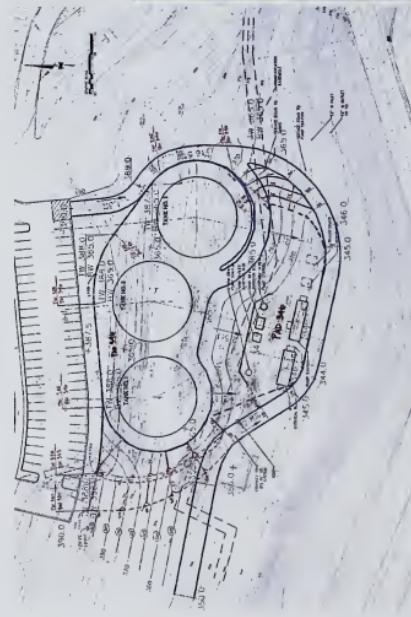


Legend

Building to be abated and demolished

# CONSTRUCTION ACTIVITIES – Yerba Buena Island

## Water Tanks



# CONSTRUCTION ACTIVITIES – Yerba Buena Island

## Infrastructure

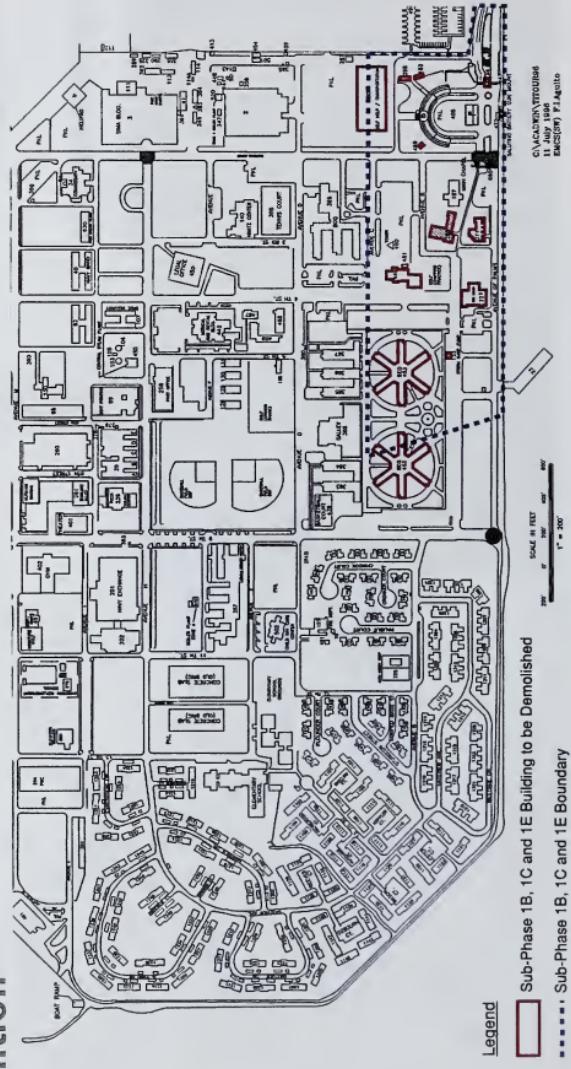
- Macalla Road Widening
- Yerba Buena Island Road Realignment

Includes New Water, Electric, Gas, Storm Drain, Sanitary Sewer, Telecom, Landscape and Hardscape Improvements.



# CONSTRUCTION ACTIVITIES - Treasure Island

## Demolition



TREASURE ISLAND | TIDA Board Meeting | November 18, 2015 |

TREASURE ISLAND – DEMOLITION

# Abatement



# Demolition



# Recycling



# CONSTRUCTION ACTIVITIES - Treasure Island

## Geotechnical Stabilization

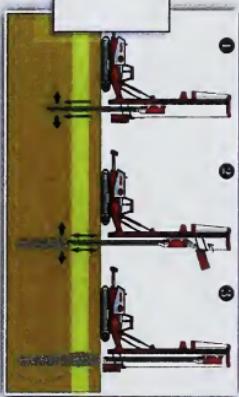
### Purpose

- Mitigate liquefaction during seismic events
- Prevent differential settlement - buildings, utilities and infrastructure

### Methods

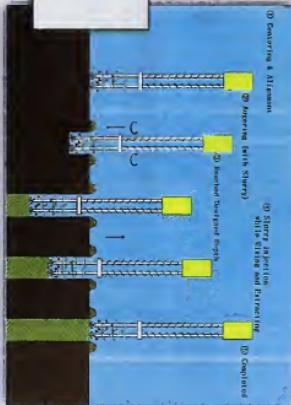
- Deep dynamic compaction
- Vibratory compaction near existing buildings and sensitive areas
- Surcharging loads
- Monitor buildings and Utilities
- Contingency/ strategy to deal with utility service interruptions

## Vibro Replacement



During Geotechnical Stabilization work effort the following Mitigation Efforts will be in place:

## Soil Cement Mixing



## Deep Dynamic Compaction



TREASURE ISLAND | TIDA Board Meeting | November 18, 2015 | TREASURE ISLAND - GEOTECHNICAL SENSITIZATION

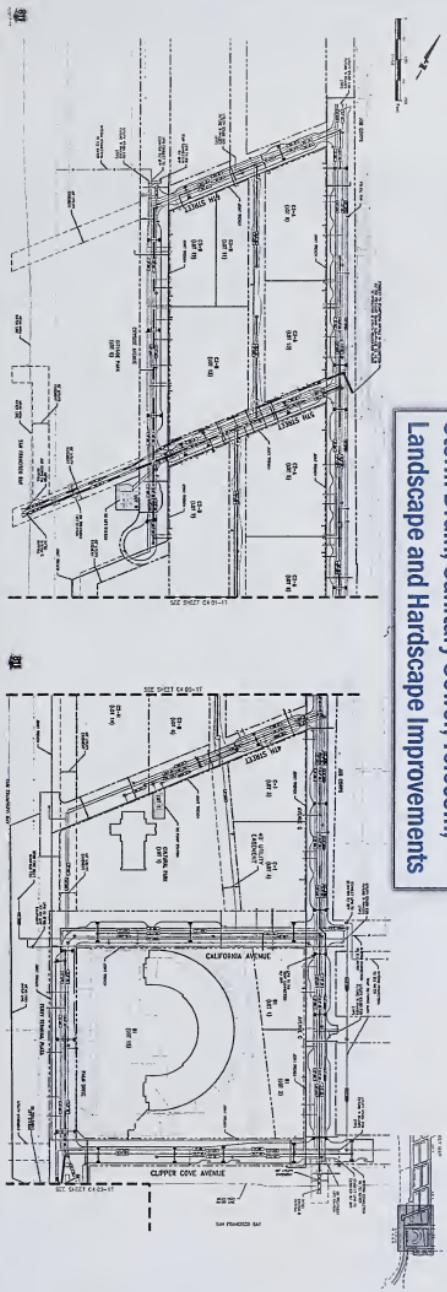


# CONSTRUCTION ACTIVITIES - Treasure Island

## Infrastructure

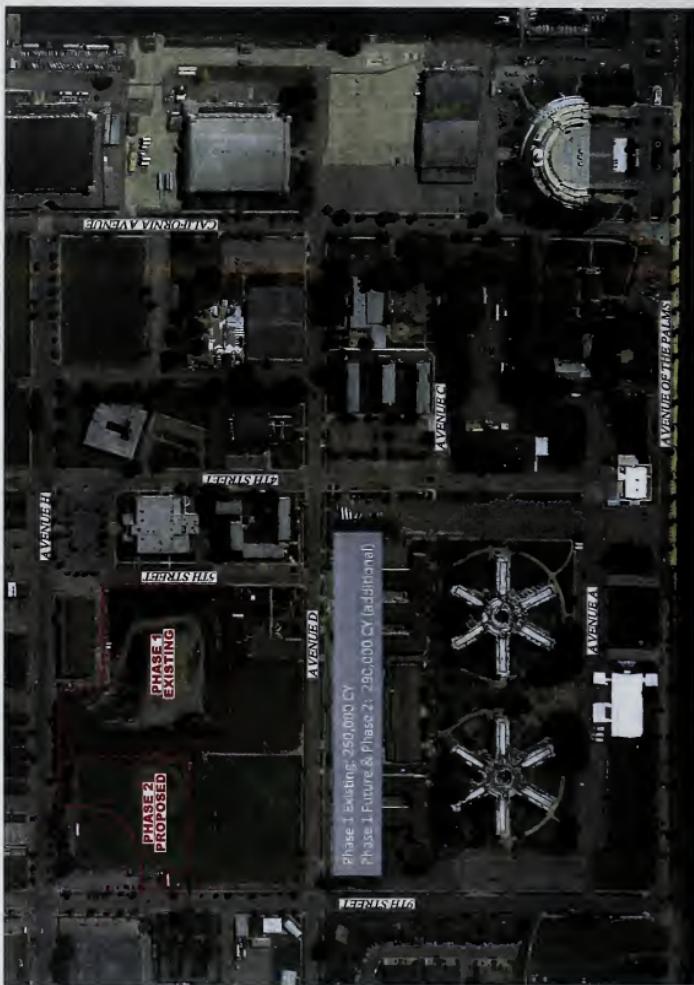
Will follow Geotechnical Stabilization

Includes New Water, Electric, Gas,  
Storm Drain, Sanitary Sewer, Telecom,  
Landscape and Hardscape Improvements



## TREASURE ISLAND - SOIL STOCKPILE

TREASURE ISLAND | TIDA Board Meeting | November 18, 2015 |



TREASURE ISLAND | TIDA Board Meeting | November 18, 2015 |









CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY  
ONE AVENUE OF THE PALMS,  
2<sup>ND</sup> FLOOR, TREASURE ISLAND  
SAN FRANCISCO, CA 94130  
(415) 274-0660 FAX (415) 274-0299  
[WWW.SFTREASUREISLAND.ORG](http://WWW.SFTREASUREISLAND.ORG)

EDWIN M. LEE, MAYOR



TREASURE ISLAND DEVELOPMENT AUTHORITY  
DRAFT SPECIAL MEETING MINUTES

November 18, 2015 – 7:00PM

*SF  
T74  
#2  
11/18/15  
special  
draft*  
Casa de la Vista, Treasure Island  
191 Avenue of the Palms, San Francisco, CA 94130

**ORDER OF BUSINESS**

**1. Call to Order 7:00pm**

**Present**

V. Fei Tsen, President  
Larry Mazzola, Jr., VP  
Mark Dunlop, CFO  
Jean-Paul Samaha, Secretary  
Linda Fadeke Richardson

GOVERNMENT  
DOCUMENTS DEPT

**Excused**  
Jeff Kositsky  
Hon. Jane Kim (Ex-Officio)

DEC - 4 2015

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**2. General Public Comment**

Mark Connors thanked TIDA for getting SFGovTV to broadcast TIDA Board meetings. Mr. Connors also made comments on open TI/YBI Citizens Advisory Board seats, crime watch, and SFPUC.

Zachary Mallett, BART, introduced himself to the board and commented on concerns over East Bay linkage to Treasure Island.

Tammy Powers presented a collapsible bicycle.

Chanty, resident, asked about the evacuation plan and emergency disaster service supplies for the island.

**3. Report by Treasure Island Director**

Robert Beck, Treasure Island Director, reported on development and operation issues on Treasure Island.

There were many special events including a Halloween event 10/29, Fleet Week, TIMF 10/18-19, Oracle Open World 10/28, and TI Flea 10/24-25. The Navy also conducted a tour of their remediation projects on 10/31.

TIDA has been working with DPW and SFPUC to prepare for the winter storm season. SFPUC is preparing the budget and schedule to replace additional streetlights with LEDs. SFPL Techmobile is beginning monthly visits to Gym after-school program.

TIMMA is conducting additional outreach regarding the TITIP and Congestion Pricing with TI businesses, housing providers, and residents.

In development news, the Trust Exchange was recorded on 11/10. Transfer Map will be at the 11/24 BOS. The Workforce MOUs have been executed. The review of Sub-Phase Applications for the first areas of work on YBI and TI with City Agencies is on-going.

Mark Connors commented on using solar power for new lights and that TI Flea traffic makes it difficult to get to the grocery store.

Sherry Williams, TIHDI, recognized Catholic Charities, CHP, JSCo, S2P, and HR360 for all helping out and working together for community events.

Director Dunlop commented that as a Treasure Island resident traffic was dealt with well during the Oracle event and TIMF.

Director Richardson thanked TIDA and TIHDI staff.

**4. Communications From and Received by TIDA**

There was no discussion on Communications by Directors.

There was no public comment.

**5. Ongoing Business by Board of Directors**

**6. CONSENT AGENDA**

- a. Approving the Minutes of the October 14, 2015 Meeting
- b. Resolution Approving Fiscal Year 2015/2016 Minimum Monthly Rental Rate Schedule
- c. Resolution Approving and Authorizing the Execution of Lease No. 1,009 with LIFE LEARNING ACADEMY, INC. a California non-profit corporation for Building 229, Treasure Island
- d. Resolution authorizing the Treasure Island Director to enter into an Agreement with AT&T to extend the term of three existing easements for AT&T infrastructure from November 28, 2015, through December 31, 2017

There was no public comment.

Director Richardson moved the consent agenda.

Director Dunlop seconded the motion.

This item passed unanimously.

**7. Resolution Approving and Authorizing the Execution of Lease No. 1,012 with Abdo Ali Nasser, a sole proprietor, dba Island Market & Deli, to relocate Island Cove Market to Building 201, Treasure Island.**

Rich Rovetti, TIDA, presented the resolution to enter into a new lease with Island Cove Market relocating the Market to Building 201 when the existing location of the market is demolished this spring.

Mark Connors commented that the Island Cove Market has been a great neighbor. Sherry Williams commented that the Island Cove Market has been a great asset to TI and is happy to see there is an alternate location.

Becky Hogue commented that she is glad to keep Abdo as part of community.

Director Dunlop moved the consent agenda.

Director Richardson seconded the motion.

This item passed unanimously.

Robert Beck presented Mr. Nasser with a certificate of appreciation for his contributions Treasure Island. Mr. Nasser said it has been a pleasure to serve the TI community and thanked the Directors.

**8. DPH Clinic Re-Opening**

Alli Noyes, Americore Member, is working on wellness outreach based on outreach to residents at Halloween event.

Maria Besa, nurse manager, thanked Robert Beck and Peter Summerville for their continued support. Clinic programs were reviewed.

Director Richardson thanked the DPH Clinic staff for their work.

Director Tsen asked if there is a flyer with hours that has been provided to residents.

Answer: Yes, a flyer has been sent and outreach will continue.

Director Samaha asked if the clinic information can be found online.

Answer: It will be added.

**9. YMCA Presentation**

Justin Feliciano, new YMCA Gym Director, provided a review of programs including youth programs and workshops, the Healthy Living Program, their collaboration with YMCA, and new classes to be implemented in the future.

Director Dunlop asked if the Gym classes are listed online.

Answer: They are not at the moment but we are looking to making a Facebook account.

Director Richardson commented on the great programs the Gym offers and will continue to support their efforts.

**10. Development Activities Forecast**

Kevin Arrow, TICD, reviewed the construction schedule. Demolition on YBI begins in Q4 2015. The next construction on YBI will be water tanks. YBI infrastructure improvements include widening Macalla Rd. and YBI Road realignment.

Demolition on TI begins in Q1 2016. Geotechnical improvements on TI begin Q3 2016. TI infrastructure improvements include new water, gas, electric and parks.

Director Richardson asked about vibro-compaction.

Answer: At the 12/2 ITC meeting geotechnical engineers will provide more information. Director Dunlop asked how TICD will be held accountable on first source hiring and if residents will be affected by dust during demolition.

Director Mazzola asked if residents will have a way to voice issues during construction.

Director Tsen requests a report at the ITC on sea level rise.

Sherry Williams, TIHDI, commented that she is excited to get started.

## **11. Adjourn**

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, One Avenue of the Palms, Second Floor, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2nd Floor, One Ave. of Palms, San Francisco, CA 94130 during normal office hours.

### **Disability Access**

The Treasure Island Development Authority holds its regular meetings at San Francisco City Hall. City Hall is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) at least 72 hours prior to the meeting to help ensure availability.

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In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based scented products. Please help the City to accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

#### Lobbyist Ordinance

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#### KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

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CITY & COUNTY OF SAN FRANCISCO



EDWIN M. LEE, MAYOR

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TREASURE ISLAND DEVELOPMENT AUTHORITY  
MEETING AGENDA

December 9, 2015 – 1:30PM

Room 400, City Hall  
1 Dr. Carlton B. Goodlett Place

DIRECTORS

V. Fei Tsen, President  
Larry Mazzola, Jr., VP  
Linda Fadeke Richardson  
Hon. Jane Kim (Ex-Officio)

Jean-Paul Samaha, Secretary  
Mark Dunlop, CFO  
Jeff Kositsky

Robert Beck, Treasure Island Director  
Kate Austin, Commission Secretary

12-04-15 P04:16 RCV

GOVERNMENT  
DOCUMENTS DEPT

DEC - 4 2015

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. General Public Comment

This item is to allow members of the public to address the Treasure Island Development Authority Board (“Authority Board”) on matters that are within the subject matter jurisdiction of the Authority Board and that do not appear on the agenda. In addition to General Public Comment, Public Comment will be held after each item on the agenda.  
*(Discussion Item)*  
*Estimated Length of Item: 15 minutes*
3. Report by Treasure Island Director

This item is to allow the Treasure Island Director to report on Island Operations and Development activities including leasing, health and public safety, utilities, budget, Quality of Life issues, social services and on-Island events, the status of environmental remediation and coordination with the Department of the Navy, interactions with other City and State agencies, progress with Treasure Island Community Development in implementation of the Disposition and Development Agreement and related plans, and other activities related to the transfer and development of the former Naval Station

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Treasure Island. (*Discussion Item*)

*Estimated Length of Item: 30 minutes*

4. Communications From and Received by TIDA (*Discussion Item*)  
*Estimated Length of Item: 5 minutes*

5. Ongoing Business by Board of Directors (*Discussion Item*)  
*Estimated Length of Item: 5 minutes*

6. CONSENT AGENDA (*Action Items*)

*Estimated Length of Item: 5 minutes*

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

- a. Approving the Minutes of the November 18, 2015 Meeting
- b. Resolution Approving and Authorizing the Execution of a First Amendment to the Professional Services Agreement between the Treasure Island Development Authority and Rubicon Enterprises, Inc., a California nonprofit public benefit corporation, to increase the annual Scope of Services and not to exceed Contract Amount for Fiscal Year 2015-2016

7. IFD/CFD Formation (*Informational Item*)

*Estimated Length of Item: 10 minutes*

8. Resolution Establishing an Ad Hoc Nominating Committee, Consisting of Three Members of the Treasure Island Development Authority Board of Directors to Nominate Officers to Serve One Year Term. (*Action Item*)  
*Estimated Length of Item: 10 minutes*

9. Discussion of Future Agenda Items by Directors (*Discussion Item*)

*Estimated Length of Item: 5 minutes*

10. Adjourn

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**TREASURE ISLAND DEVELOPMENT AUTHORITY FINANCIAL STATEMENT**

**SUMMARY OF REVENUES & EXPENDITURES**

Fiscal Year 2015-2016 – Data as of 12/2/2015

<b>REVENUES</b>				
Revenue Source	Budgeted Revenue (\$)	Actuals (\$)	Variance (\$)	YTD %
TI JOINT VENTURE - WINE VALLEY	120,000	-	(120,000)	0%
TIDA SPECIAL EVENTS	430,000	378,711	(51,290)	88%
COMMERCIAL PAYMENTS	3,840,770	2,182,632	(1,658,138)	57%
FILM	35,000	16,500	(18,500)	47%
YBI CELLSITES/BANNER	325,830	109,279	(216,551)	34%
MARINA	90,000	38,050	(51,950)	42%
HOUSING CAM	479,472	127,277	(352,195)	27%
JOHN STEWART CO.	3,689,470	229,910	(3,459,560)	6%
<b>Total</b>	<b>9,010,542</b>	<b>3,082,359</b>	<b>(5,928,183)</b>	<b>34%</b>

<b>EXPENDITURES</b>				
Expenditure Type	Revised Budget	YTD Actuals	Encumbrances	Balance
021 NON PERSONNEL SERVICES	(6,321,223)	(657,518)	(1,388,248)	(4,275,457)
040 MATERIALS & SUPPLIES	(59,929)	(22,684)	(31,484)	(5,762)
081 SERVICES OF OTHER DEPTS	(11,910,792)	(278,364)	(8,430,641)	(3,201,787)
<b>Grand Total</b>	<b>(18,291,944)</b>	<b>(958,566)</b>	<b>(9,850,373)</b>	<b>(7,483,005)</b>

Sources: GSA Accounting, Executive Information System





MEMORANDUM

NOV - 9 2015  
RB, RAKA, FILE

To: Bob Beck, Treasure Island Director,  
Treasure Island Development Authority  
City of San Francisco  
410 Palm Avenue  
Building 1, 2<sup>nd</sup> Floor  
San Francisco, CA 94130

Date: Jul 10, 2015

RE: Base Rent Adjustment for the Jul 2015 to Jun 2016 period

Per the Sublease, Development, Marketing and Property Management Agreement between the Treasure Island Development Authority and the John Stewart Company, the Base Rent for the Sublease must be adjusted using a "CPI Adjustment" (Section 15.2). The agreement specifies that the adjustment will use the CPI for Urban and Wage Earners and Clerical Workers published most immediately preceding the Adjustment Date and compare this to the Index published most immediately preceding the prior Lease Year.

The CPI for the San Francisco-Oakland-San Jose area is attached (from the United State Department of Labor, Bureau of Labor Statistics).

Based on July 2014 sublease agreement paragraph 15.1. Base rent, stated 632,806 to start with, and adjustment is in accordance with the paragraph 15.2, which shall be July. The Base Rent for 2015-16 is therefore adjusted as follows:

Year over year adjustment from 2014 to 2015 is  $252.875/247.932 = 1.019937$  (see attached)

The new Base Rent adjustment for the upcoming period is:

$$(632,806) \times (1.019937) = 645,422.00 \text{ (or } 53,785.17 \text{ monthly)}$$

The adjusted Base Rent payments as prescribed under the sublease will thus be adjusted to \$53,785.17 monthly for the April 2015 to March 2016 period.

Sincerely,

Jeffrey Kohler

Attachments

Cc: John Stewart, JSCo  
Sonya Rosenbach, JSCo  
Dan Stone, JSCo

Loren Sanborn, JSCo  
Lynny Lee, JSCo

Connie Le, JSCo  
Jack Gardner, JSCo

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RB KARR, FILE  
NOV 19 2015

approved estimated amounts. Upon the Director's approval of the work and the cost amount, Subtenant shall receive a credit against Base Rent otherwise due and owing under this Agreement in the amount approved by the Director. All renovations and improvements made to the Premises as payment of In-Kind Rent shall immediately become the property of the Master Landlord, subject to the leasehold interest of the Authority, as set forth in the Master Lease, and shall also immediately, without further action on the part of either the Authority or the Subtenant, become part of the Premises.

**15.5 Method of Payment of Rent.** All Rent payable by Subtenant to the Authority shall be paid without prior demand and without any deduction, setoff or counterclaim whatsoever, except as specially provided in Section 15.8(a) and, except for In-Kind Rent, shall be paid in cash or by good cashier's or certified check to the Authority at the primary address for Authority specified in Section 33.1 or such other place as the Authority may designate in writing. If the Commencement Date occurs on a day other than the first day of a calendar month, or the Expiration Date occurs on a day other than the last day of a calendar month, then the Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

**15.6. Late Charge.** If Subtenant fails to pay any Rent due and owing the Authority within ten (10) days after the due date, such unpaid amount will be subject to a late payment charge equal to five percent (5%) of the unpaid amount in each instance. The late payment charge has been agreed upon by the Authority and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that the Authority will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult to determine. The late payment charge constitutes liquidated damages to compensate the Authority for its damages resulting from such failure and Subtenant shall promptly pay such amount to the Authority together with the unpaid amount.

**15.7. Default Interest.** If Subtenant fails to pay any Rent due and owing the Authority within ten (10) days after the due date, such unpaid amount shall also bear interest from the due date until paid at the rate of nine percent (9%) per year (the "Default Rate"). However, interest shall not be payable on late charges nor on any amounts if and to the extent such payment would cause the total interest to be in excess of that which is lawful to charge. Payment of interest shall not excuse or cure any default by Subtenant.

**15.8. No Right to Repair and Deduct.** Except as specifically provided in Section 15.8(a), Subtenant expressly waives the benefit of any existing or future Law that would otherwise permit Subtenant to terminate this Agreement because of the Authority's failure to keep the Premises or any Parties thereof in good order, condition or repair. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 of any similar Laws with respect to any right of Subtenant to terminate this Agreement.

(a) **Permitted Offsets against Base Rent.** Notwithstanding the foregoing, Subtenant may offset the following sums against its obligation to pay Base Rent:

(i) Any increase in the amount of the CAM Charge payable by Subtenant after the Effective Date of this Agreement. The Parties hereby acknowledge and agree that for the purposes of this Sublease, the Parties will treat the rates used by the Authority to calculate the CAM Charge as \$50.37 per unit per month. The Parties hereby acknowledge that CAM Charge payable hereunder shall be subject to annual adjustment to increase CAM Charge by three percent (3%).

552 x (50.37x1.03)	= 28,637.36 Monthly
Jul15 to Jun 16	

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY

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MIRIAN SAEZ  
DIRECTOR OF ISLAND OPERATIONS

To: Treasure Island Development Authority Board of Directors  
From: Bob Beck, Treasure Island Director  
Date: December 4, 2015  
Re: Use Permit and Film Permit Waivers

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The following waivers were granted for the months of November and December 2015:

- Academy of Arts University, Student Film Project, November 14, December 4, 2015.
- TIMMA, Open House, November 19 and 20, 2015.
- TIMA, Lecture Series, November 21, 2015



**Treasure Island Development Authority  
Subleases and Permits Executed  
Pursuant To Leasing Policy  
As of December 4, 2015**

Location / Facility	No.	Status (new / expired)	Company Name / Prospective Subtenant	Start Date	Leasehold Type	Sq. Ft.	Annual Rent
Building 2	1,077	New	Surface Area, LLC	12/01/15	Beer production	PA: 4,263 PB: 5,000	\$198,000.00
Building Suite 411	1,091	New	SF Keez Engineering, Inc.	12/01/15	Office	100	\$3,000.00
Chapel Lot	E-158	New	SF Collateral Agency, Inc.	1/15/16	COW	N/A	\$2,500.00
Eucalyptus Lot	E-159	New	Photobomb, LLC	11/19/15	Photography/Par king	N/A	\$3,000.00
Great Lawn Parking Lot	E-160	New	Justice Investors LLC	12/5/15	Events	N/A	\$4,500.00
Casa de la Vista	E-161	New	Alpha Kappa Psi, Inc.	11/15/15	Event	N/A	\$5,000.00
Chapel	E-162	New	Melanie Ramos, an individual	12/18/15	Event	N/A	\$1,200.00
Building 180 Parking Lot	E-163	New	RSA Films, Inc.	11/21/15	Parking	N/A	\$1,500.00
Avenue of the Palms	E-164	New	Hand Crank Film, Inc.	11/30/15	Film	N/A	\$1,000.00



November 2015 Treasure Island Crime Statistics  
 Provided by Officer J. O'Keeffe #681  
 on behalf of Captain DeFilippo, Southern Station



Occ. Date	Case #	Location	Incident Type	Comments
1-Nov-15	150-957-393	1251 Exposition Dr	Theft	V left his cellphone inside of a parked car. When he returned, the cell phone was gone. V believes a friend may have take the cell phone. The vehicle was unlocked.
2-Nov-15	150961021	1395 Gateview Ave	Stolen License Plate	License plate was stolen between 11/2/15 11pm-11/3/15 6:30am.
3-Nov-15	150-961-601	351 Avenue H	Battery	V, living at job Corp were physically assaulted by another job corp resident and two unknown males. No serious injuries.
3-Nov-15	150-969-257	1301 Gateview Ave	Stolen Vehicle	Vehicle was stolen between 7pm-10am. Vehicle was located, occupied at Paris and Avalon.
6-Nov-15	150-970-624	Gateview/Mason	Theft	V was on a Muni Bus when an known Suspect took the cellphone out of the V's hand.
9-Nov-15	150-978-236	1312 Gateview Ave	Theft From Person	V, an Oakland cab driver, picked up two passengers at the Oakland airport. The passengers requested to be driven to Treasure Island. Once at the address at Treasure Island, an unknown S stole the cab drivers personal belongings.
9-Nov-15	150-978-850	1435 Halibut Ct	Suspicious Occurrence	Officers responded to the call concerning a cab driver being robbed, there was calls regarding shots fired in the area of where the cab driver was robbed.
9-Nov-15	150-979-870	1395 Gateview Ave	Fraud	V reported that he received paperwork in the mail, regarding someone fraudulently taking out a credit card under his name.
10-Nov-15	150-982-209	275 California Ave	Missing/Found Person	Job Corp reported a missing, then found juvenile.
11-Nov-15	150-982-908	351 Avenue H	Missing adult	Job corp reported a missing adult.
11-Nov-15	150-982-986	401 13th St	Vandalism	Officers, training on Treasure Island heard the sound of a window breaking. The window was shattered and the perimeter search revealed that the suspect never made entry into the building.
12-Nov-15	150-986-659	1249 Exposition Dr	Vehicular Accident	A report was taken of a vehicular accident. The S fled the scene making it a Hit & Run.
12-Nov-15	150-987-259	1402 Sturgeon St	Stolen Vehicle	Vehicle reported stolen between 11/03/15-11/12/15.
15-Nov-15	150-996-620	275 California Ave	Missing Juvenile	Job Corp reported a missing juvenile. The juvenile was reported found on 11/16/15.
16-Nov-15	151-000-080	1203 Bayside Dr	Stolen Vehicle	Vehicle reported Stolen between 11/16/15-11/17/15
17-Nov-15	151-002-804	1318 Gateview Ave	Robbery	V was walking at 8:45pm, when an unknown male approached her demanding money. The V fled on foot. S chased down the V and pushed her to the ground, robbing her of her wallet.
Nov-15	151-003-266	1226 Bayside Dr	Burglary	V reported that someone attempted to burglarize her house. Her front door had signs of forced entry. The S never made entry into her home.

November 2015 Treasure Island Crime Statistics  
Provided by Officer J. O'Keeffe #681  
on behalf of Captain DeFilippo, Southern Station

20-Nov-15	151-011-009	1208 Mariner Dr	Citizen's Arrest	Security arrested two subjects for trespassing. Officers arrived on scene. The trespassers were cited and released from the scene.
22-Nov-15	151-018-061	1435 Halibut Ct	Battery	Officers were called to Swords to Plowshares regarding two clients in a physical fight. Officers determined it was a mutual combat fight and the parties both refused to press charges.
23-Nov-15	151-021-456	1244 North Point Dr	Restraining Order Service	Officers served a restraining order.
27-Nov-15	151-029-563	1 Clipper Cove Way	Trespassing	A subject was arrested for trespassing into the Marina. The subject was evicted and told numerous times he was not allowed back into the Marina or on to the boat.
29-Nov-15	151-037-550	275 California Ave	Missing Juvenile	Job Corp reported a missing juvenile.
29-Nov-15	151-035-918	1301 California Ave	Misc. Investigation	Officers responded to a call concerning a an argument between two roommates.

*LEGEND: (V) = Victim (S) = Suspect (J) = Juvenile*

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY

ONE AVENUE OF THE PALMS  
2<sup>ND</sup> FLOOR, TREASURE ISLAND  
SAN FRANCISCO, CA 94130  
(415) 274-0660 FAX (415) 274-0299  
[WWW.SFTREASUREISLAND.ORG](http://WWW.SFTREASUREISLAND.ORG)



BOB BECK  
TREASURE ISLAND DIRECTOR

To: Treasure Island Development Authority Board of Directors  
From: Peter Summerville  
Date: December 4, 2015  
Re: Treasure Island Power Outages – November 2015  
Cc: Robert Beck, Treasure Island Director

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- On Sunday November 1st at approximately 10:30 PM, Treasure Island experienced a power outage. SF Public Utilities Commission (PUC) dispatched repair crews and issued an i-Info Alert. Power was restored at approximately 1:10 AM Monday November 2nd. Cause of outage was unable to be immediately identified by PUC.



CITY & COUNTY OF SAN FRANCISCO



BOB BECK  
TREASURE ISLAND DIRECTOR

TREASURE ISLAND DEVELOPMENT AUTHORITY  
ONE AVENUE OF THE PALMS,  
BLDG. ONE, 2<sup>ND</sup> FLOOR, TREASURE ISLAND  
SAN FRANCISCO, CA 94130  
(415) 274-0660 FAX (415) 274-0299  
[WWW.SFTREASUREISLAND.ORG](http://WWW.SFTREASUREISLAND.ORG)

TREASURE ISLAND DEVELOPMENT AUTHORITY  
INFRASTRUCTURE AND TRANSPORTATION COMMITTEE

MEETING AGENDA

December 2, 2015 1:30PM

Room 408, City Hall  
1 Dr. Carlton B. Goodlett Place

Committee Members

Linda Fadeke Richardson (*chair*)    V. Fei Tsen    Mark Dunlop

Bob Beck, Treasure Island Director  
Kate Austin, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call

2. General Public Comment

This item is to allow members of the public to address the Treasure Island Development Authority Board Infrastructure and Transportation Committee ("ITC") on matters that are within the subject matter jurisdiction of the ITC and that do not appear on the agenda. In addition to General Public Comment, Public Comment will be held during each item on the agenda. (*Discussion Item*)

*Estimated Length of Item: 5 minutes*

3. CONSENT AGENDA (*Action Items*)

*Estimated Length of Item: 5 minutes*

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Committee and will be acted upon by a single vote of the Committee. There will be no separate discussion of these items unless a member of the Committee so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a. Approving the Minutes of the August 26, 2015 Meeting

4. Geotechnical Update (*Informational Item*)  
*Estimated Length of Item: 30 minutes*
5. Sub-Phase Open Space Design Update (*Informational Item*)  
*Estimated Length of Item: 20 minutes*
6. Discussion of Future Agenda Items by Directors (*Discussion Item*)  
*Estimated Length of Item: 5 minutes*
7. Adjourn

*Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, One Avenue of the Palms, Second Floor, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.*

*If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2<sup>nd</sup> Floor, One Ave. of Palms, San Francisco, CA 941130 during normal office hours.*

#### **Disability Access**

The TIDA Infrastructure and Transportation Committee holds its meetings at San Francisco City Hall. City Hall is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) **at least 72 hours** prior to the meeting to help ensure availability.

The nearest accessible BART station is Civic Center Plaza at the intersection of Market, Grove, and Hyde Streets. The accessible MUNI Metro lines are the J, K, L, M, and N (Civic Center Station or Van Ness Avenue Station). MUNI bus lines serving the area are the 47 Van Ness, 9 San Bruno, and the 6, 7, 71 Haight/ Noriega. Accessible curbside parking is available on 1 Dr. Carlton B. Goodlett Place and Grove Street. For more information about MUNI accessible services, call 923-6142.

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#### **Lobbyist Ordinance**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

#### **KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE**

(Chapter 67 of the San Francisco Administrative Code)

CITY & COUNTY OF SAN FRANCISCO  
TREASURE ISLAND DEVELOPMENT AUTHORITY  
ONE AVENUE OF THE PALMS,  
2<sup>ND</sup> FLOOR, TREASURE ISLAND  
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[WWW.SFTREASUREISLAND.ORG](http://WWW.SFTREASUREISLAND.ORG)



EDWIN M. LEE, MAYOR

Treasure Island /Yerba Buena Island  
Citizens Advisory Board  
Meeting Agenda

Tuesday, December 1, 2015  
6:00-8:00 PM

San Francisco City Hall, Rm 421  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

For further information about the meeting please contact Kate Austin at (415) 274-0646

- I. Roll Call
- II. Approval of October 6, 2015 CAB Minutes (*Action Item*)
- III. TIDA Staff Updates (*Information Item*) - 10 min
  - a) Treasure Island Development Authority Board
  - b) Legislative
  - c) Development Schedule
  - d) Navy Environmental Program
- IV. Sub-Phase Open Space Design Update (*Informational Item*) – 20 minutes
- V. Wetlands and Stormdrain Management Update (*Informational Item*) – 30 minutes
- VI. Reinstatement of Mike DeLane (*Action Item*) – 5 minutes
- VII. Future Agenda Items - 5 min
- VIII. Announcements from Board members - 5 min
- IX. Public Comments - 5 min
- X. Adjourn

### **MEETING AGENDAS AVAILABLE ON E-MAIL**

If you would like to receive TICAB meeting agendas by e-mail, please send your name and e-mail address to [kate.austin@sfgov.org](mailto:kate.austin@sfgov.org).

### **Disability Access**

The Treasure/Yerba Buena Island Citizen Advisory Board meets in San Francisco City Hall, 1 Dr. Carlton Goodlett Place. City Hall is accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 274-0664 at least 48 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

### **Treasure Island Website**

Check out the Treasure Island website at [www.sftreasureisland.org](http://www.sftreasureisland.org) to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

### **Lobbyist Ordinance**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102, telephone (415) 252-3100, fax (415) 252-3112; web site <http://www.sfgov.org/ethics/>.

### **Know Your Rights Under the Sunshine Ordinance**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact by mail Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Rm. 244, San Francisco CA 94102; phone at (415) 554-7724; fax at (415) 554-7854; or by email at [sotf@sfgov.org](mailto:sotf@sfgov.org)

Citizens may obtain a free copy of the Sunshine Ordinance by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at <http://www.sfbos.org/sunshine>.



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## SAFETY RESOURCES

SAFE [sf-safe.org](http://sf-safe.org)

SFPD [sf-police.org](http://sf-police.org)

NERT [sfgov.org/sfndnert](http://sfgov.org/sfndnert)  
National Crime Prevention Council [ncpc.org](http://ncpc.org)  
CA Consumer Privacy & ID Theft [privacy.ca.gov](http://privacy.ca.gov)  
Federal Trade Commission ID Theft [www.ftc.gov](http://www.ftc.gov)

DA Victim Assistance [www.sfdistrictattorney.org](http://www.sfdistrictattorney.org)

Treasure Island Community Watch -

[TICW@Outlook.com](mailto:TICW@Outlook.com)

# Enjoy a **SAFE** Holiday Season!

Be An Alert & SAFE Shopper  
Tips for:  
Personal Safety  
Property Safety  
Pick-Pocketing Prevention  
Identity Theft  
Identifying Suspicious Activities



## Shopping & Gift List

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San Francisco SAFE, Inc.  
850 Bryant St. #135  
San Francisco, CA 94103  
415-673-SAFE or  
415-553-1984  
[www.sfsafe.org](http://www.sfsafe.org)

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SAFE engages, educates and  
empowers San Franciscans to build  
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services that result in stronger, more  
vibrant and resilient communities.

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SAFE's Service and Activities Include:

- Neighborhood Watch
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- Business Watch
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- Child Safety & Older Adult Safety
- Residential & Business Security
- Robbery Prevention Trainings for Businesses
- Liaison to SFPD & City Agencies
- Community Organizing

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Be alert and aware of your surroundings at all times. Alert security if you notice any of the following in any public space:

- Unattended packages
- Persons exhibiting erratic or nervous behaviors
- People wearing bulky or inappropriate clothing which may be used to conceal threatening devices or objects
- Suspicious chemical smells or pungent odors
- Anyone tampering with surveillance cameras

If You SEE Something...  
SAY Something!

## ENJOY A SAFE HOLIDAY SEASON

### PICK-POCKETS & IDENTITY THEFT

- Bring Only the Cash & Credit Cards You Need
- Do Not Carry Your Social Security Card or Passport
- Don't Let Others Distract You in Crowded Areas. Your Personal Belongings are at Risk.
- Limit the Use of Your Cell Phone in Public



### HOME BURGLARY PREVENTION

- If You are Traveling Ask a Neighbor to Watch the House
- Put Timers on Different Lights Throughout the Interior and Exterior of the House
- Have Newspapers, Mail and Deliveries Held or Picked Up by Someone You Trust



### PERSONAL SAFETY

- Park in Well-Lighted & Well-Traveled Areas
- Avoid Overloading Yourself with Packages
- Be Aware of Your Surroundings



### AUTO BREAK-INS

- Leave Nothing Visible in the Car
- Keep Doors & Trunk of Vehicles Locked
- Keep Packages in the Trunk while Shopping
- Never Leave a GPS System or Mount Visible

### CREDIT CARDS

- Shop Only at Secure Websites
- Do Not Respond to Emails Asking You for Personal or Credit Card Information
- Check Your Credit Card & Bank Statements Regularly for Fraudulent Use



Visit [sfsafe.org](http://sfsafe.org) for  
More Safety Tips!

# Drop-in Nurse Intervention Clinic

Treasure Island Gymnasium  
749 9th St at Avenue M

Tuesday: 4-7 pm  
Friday: 4-7 pm

## Our services:

- Flu shot
- Tdap shot (tetanus, diphtheria, pertussis)
- Blood sugar testing
- Contraception
- Free condoms
- Minor injuries
- Cold
- Sore Throat
- Fair Infection
- Rashes
- Lice
- Asthma and Allergies
- Health Coaching
- Medical Referrals
- Health Education

# Treasure Island Maxine Hall

## Health Center Nurse Clinic

For new primary care appointments,  
call Maxine Hall Health Center:  
415-292-1300

Catherine James, MD | Medical Director

Languages: English, Spanish

Anne Rosenthal, MD | Associate Medical Director

Languages: English, Spanish

Nicole Bores, MD

Languages: English, Spanish

Alicia Carrasco, MD

Languages: English, Spanish

Carla Hunter-Galbraith, MD

Languages: English

Maya Ghorayeb, MD

Languages: English, Spanish, Arabic, French

Anne Kim, MD

Languages: English

Hwaseung Lee, NP

Languages: English, Korean

Our mission is to protect & promote the health of all San Franciscans through comprehensive health care services. We are dedicated to provide culturally competent, multidisciplinary health services that are geographically accessible to residents of the Treasure Island community, with a focus on low income and underserved populations.



Department of  
**PUBLIC HEALTH**

## Patient Education

- Health coaching services available on site



- Healthy eating, exercise, stop smoking, stress management
- Referrals to specific groups or services
- Nutritionist referral
- Pharmacy referral
- Medication education
- Diabetes management education

## What's a nurse intervention clinic?

*An outpatient clinic run by registered nurses who can provide education, psychological support, monitor conditions and perform treatments for common conditions.*

## Fees and schedule

Free for all Treasure Island residents, regardless of insurance. No co-pay necessary. No appointment needed.

Tuesday: 4-7 PM  
Friday: 4-7 PM

Located in the entrance of the YMCA gym.

## Treasure Island Family

### Team Staff



Maria Abarca, RN

English, Spanish

Bio: Maria graduated from CCSF and was born and raised in San Francisco. She is married and has three children. She enjoys nature walks and watching her kids play soccer games.



Maria Beza, MSN, RN

English, Tagalog

Bio: Graduated from Holy Names University. Has over 25 years of nursing experience. Lives in the East Bay with her husband, 4 sons and 3 dogs. She loves to garden and cook.



Ally Noyes

English, basic Spanish

Bio: Ally is an AmeriCorps member serving at Maxine Hall Health Center and with the Family Health Team. She graduated from Georgetown University in 2013. She loves biking and painting.



*The clinic is open twice a week for ALL Island residents. Stop by, ask questions and get treatment for common conditions. We welcome suggestions for other services for you and your loved ones.*

# Drop-in Clínica de la Intervención Enfermera

Para nuevas pacientes de atención primaria, llama Maxine Hall Health Center:

415-292-1300

Gimnasio de Treasure Island  
749 9th St at Avenue M

martes: 4-7 pm  
viernes: 4-7 pm

## Nuestros servicios:

- Vacuna contra la gripe
- Vacuna Tdap (contra tetano, diftérica, pertussis femal)
- Instrucción de bienestar
- Referencias médicas
- Anticoncepción
- Condones gratis
- Dolor de garganta
- Resfriado
- Lesiones leves
- Salpullido
- Análisis de glucemia
- Infección del oído

# Treasure Island Maxine Hall Clínica de la Intervención

## Enfermera

Catherine James, MD | Director Médico  
Idiomas: Inglés, español

Anne Rosenthal, MD | Director Médico Asociado  
Idiomas: Inglés, español

Nicole Bores, MD  
Idiomas: Inglés, español

Alicia Carrasco, MD  
Idiomas: Inglés, español

Carla Hunter-Galbraith, MD  
Idiomas: Inglés

Maya Ghorayeb, MD  
Idiomas: Inglés, español, árabe, francés

Anne Kim, MD  
Idiomas: Inglés

Hwaseung Lee, NP  
Idiomas: Inglés, coreano

Nuestra misión es proteger y promover la salud de todos los habitantes de San Francisco a través de servicios de atención integral de la salud. Estamos dedicados a proporcionar servicios de salud multidisciplinarios respetando las diversas culturas de nuestros pacientes, y que están geográficamente accesible a los residentes de Treasure Island. Nuestro enfoque es en la gente de bajos ingresos y las poblaciones marginadas.



# Educación del paciente

## Personal del equipo de la familia

- Alimentación saludable, ejercicio
- Dejar de fumar
- Control del estrés
- Referencia nutricionista
- Referencia farmacéutico
- Educación de los medicamentos
- Educación de la diabetes
- Educación hipertensión
- Referencia de la salud mental

### Que es una clínica de la intervención enfermera?

Una consulta externa a cargo de enfermeras registradas que puedan proporcionar educación, apoyo psicológico, y monitorear las condiciones de los pacientes y realizar tratamientos para condiciones comunes.

### Tasas y calendario

Gratis para todos los residentes, independientemente de seguros. No copago necesario. No cita necesario.

martes: 4-7 PM  
viernes: 4-7 PM

La clínica se encuentra en la entrada del gimnasio YMCA.



Maria Abarca, RN  
Inglés, español  
Bio: Ella se graduó de CCSF. Nació y se crió en San Francisco. Está casada y tiene tres hijos. Ella disfruta la naturaleza y viendo a sus hijos jugar fútbol.



Maria Beza, MSN, RN  
Inglés, Tagalog  
Bio: Se graduó de la Universidad Holy Names. Tiene más de 25 años de experiencia en enfermería. Vive en la East Bay con su esposo, 4 hijos y 3 perros. Ella le gusta la jardinería y cocinar.



Ally Noyes  
Inglés, español básico  
Bio: Ally está miembro de Americorps sirviendo la clínica de Maxine Hall. Ella se graduó de Georgetown 2013. Ella le gusta andando en bicicleta y



*La clínica está abierta dos veces por semana para TODOS los residentes de la Isla. Visítanos, haga preguntas y obtenga tratamiento para enfermedades comunes. Apreciamos sus sugerencias para otros servicios para usted y sus seres queridos.*



# TRAFFIC ASDVISORY

**Date:** November 11, 2015  
**District:** District 4 - Oakland  
**Contact:** Leah Robinson-Leach  
**Phone:** (510) 715-6730

## FOR IMMEDIATE RELEASE

### Bay Bridge Implosion of Pier E3 *Lane Closures and Media check-in for E3 Implosion*

**Oakland, Alameda County** –Caltrans along with Federal and State partners including the California Highway Patrol (CHP) will accompany local and regional media outlets Saturday, November 14, to view the implosion of pier E3. Media check-in will take place at Treasure Island's Hanger 3 parking lot and implosion vantage point will be the eastern end of pier 1. Directional signs will be in place to assist media to the check-in and viewing areas.

The morning of the implosion, CHP and Bay Bridge tow trucks will be monitoring the Bridge for any unusual activity and the need to remove vehicles.

The following closures will be in effect during the rolling block:

- Rolling block will be implemented approx. 15 min. before the actual implosion.
- The rolling block will be both Eastbound (EB) and Westbound (WB)

#### Westbound from Oak to SF:

- Stopped at incline - touchdown area
- All metering lights at toll plaza will be turned to red.

#### Eastbound SF to Oak:

- Eastbound lane one lane will be closed from San Francisco to Treasure Island an hour before implosion.
- Traffic will roll to a stop at the west portal of the tunnel.
- EB on-ramp from Yerba Buena Island to Oakland will be closed

The schedule for implosion includes two windows of opportunity, approximately 6:50AM and 1:00PM. Please be advised that the time and dates are subject to change.

Media Check-in: Treasure Island  
Parking: Hanger 3 Parking Lot  
California Ave and Avenue N

Approximate time of Implosion:  
6:50 AM (TBD) and 12:50 PM (TBD)

A live stream of the implosion will be on the following page:  
<http://www.dot.ca.gov/e3implosion/>

# # #

**BE WORK ZONE ALERT**





**IT'S EASY TO  
KEEP READING!**

GET YOUR FIRST MONTH OF ALL DIGITAL ACCESS  
FOR 99¢. ACCESS INCLUDES EARLY, ENHANCED  
AND EXCLUSIVE CONTENT.

**TRY IT NOW!**



**San Francisco Chronicle**

# Bye, bye Bay Bridge

San Francisco Chronicle | November 13, 2015 | Updated: November 13, 2015 7:06pm

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Photo: Paul Chinn, The Chronicle

A vehicle from the contractor dismantling the old Bay Bridge drives off the span while a crew prepares an implosion of the E-3 pier in San Francisco, Calif. on Wednesday, Nov. 11, 2015. A demolition team will detonate a number of charges below the surface of the bay to demolish the old piling on Saturday morning.

Blowing up the last pier of the old Bay Bridge will take just six seconds early Saturday morning.

Blowing up the Bay Area's history and nostalgia for this old bridge, however, is a very different matter.

Officials have put a lot of thought into the plan for dismantling the largest remaining pier of the Bay Bridge's eastern span. The implosion is scheduled to happen between 6:45 and 7 a.m., during one of the short periods of slack tide.

An early-morning demolition also reduces the impact on wildlife and — crucially — automobile traffic. (Bay Bridge traffic will be halted for 15 minutes before the implosion period, and BART will also halt Transbay Tube service for the time of the blast.)

Though there are plenty of would-be voyeurs (more than 35,000 people RSVP'd that they were either "interested" or "going" to a widely circulated Facebook invitation for a "Blow Up Watch Party" on Treasure Island), officials encourage the public to watch the implosion online.

Still, there will be those who can't resist getting closer for a peek. So officials have limited the obvious potential dangers to the public.

Boats must remain at least 1,500 feet away, and there are noise-emitting buoys to deter harbor seals, sea lions, and other marine mammals.

With an implosion involving nearly 600 charges of dynamite — a total of 20,000 pounds — the dangers are quite serious.

But for all of the careful precautions, there's still a sense of wonder at the swan song of a bridge that's carried so many for so many years.

It sure wasn't easy to replace. The new bridge is sleek and distinctive, but it came in \$5 billion over budget and with serious defects.

Farewell, trusty old span.

#### BAY BRIDGE

We should mourn the passing of the Bay Bridge's east span



Caltrans aims for early Saturday on old Bay Bridge pier blast



Unfair shots at new Bay Bridge span

*Madewell*



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The migrant crisis worsens



Much ado about a Starbucks disposable cup



Supreme Court must step in where Congress won't on immigration

Officials have put a lot of thought into the plan for dismantling the largest remaining pier of the Bay Bridge's eastern span. The implosion is scheduled to happen between 6:45 and 7 a.m., during one of the short periods of slack tide. An early-morning demolition also reduces the impact on wildlife and — crucially — automobile traffic. (Bay Bridge traffic will be halted for 15 minutes before the implosion period, and BART will also halt Transbay Tube service for the time of the blast.)

Though there are plenty of would-be voyeurs (more than 35,000 people RSVP'ed that they were either "interested" or "going" to a widely-circulated Facebook invitation for a "Blow Up Watch Party" on Treasure Island), officials have made moves to limit the obvious potential dangers to the public.

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The migrant crisis worsens



Much ado about a Starbucks disposable cup



Supreme Court must step in where Congress won't on immigration





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## Megaprojects to generate unprecedented amount of affordable housing

5 OF 7 [# THUMBNAILS](#)



### TREASURE ISLAND

**Location:** An island between San Francisco and Oakland in the Bay, accessible by ferry terminal.

**Description:** On the site of this former naval station will be a mixed-use project featuring residential, commercial ventures and vast stretches of public parks and open spaces. The project will include up to 500 homes, up to 550,000 square feet of mixed-use commercial space, and up to 500 hotel rooms, all within a framework of open space.

**Number of market-rate units:** 6,000.

**Number of affordable units:** 2,000.

**Affordable percentage:** 25 percent.

**Developers:** Lennar, Wilson Meany, Stockbridge Capital and Kenwood Investment.

**Status:** The project was approved in 2011 and infrastructure work on the first of four phases began in 2016. The first land pad sales to developers are scheduled to start in 2017, and the project is expected to be completed in 2032.

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1 [Establishing an Ad Hoc Nominating Committee.]

2 **Resolution Establishing an Ad Hoc Nominating Committee, Consisting of Three**

3 **Members of the Treasure Island Development Authority Board of Directors**

4 **to Nominate Officers to Serve One Year Term.**

5 WHEREAS, The Treasure Island Development Authority "TIDA" Bylaws require TIDA  
6 Board of Directors ("Board") to annually elect Officers; and,

7 WHEREAS, The TIDA Bylaws allow the Board to create one or more committees  
8 consisting of two or more Directors to serve at the pleasure of the Board; and,

9 WHEREAS, The Board wishes to establish an ad hoc nominating committee,  
10 consisting of three Directors and designating a Director as Chair of the committee to  
11 recommend candidates to serve as officers for the next year; and,

12 WHEREAS, The Board recommends and urges the Treasure Island Director to work  
13 with the Chair of the ad hoc nominating committee to establish a meeting date, time, and  
14 place in accordance with the San Francisco Sunshine Ordinance and the Ralph M. Brown Act;  
15 now, therefore, be it

16 RESOLVED, That the Board hereby establishes an ad hoc nominating committee  
17 comprised of three Directors, \_\_\_\_\_, \_\_\_\_\_, and designating \_\_\_\_\_ as  
18 Chair; and, be it

19 FURTHER RESOLVED, That such ad hoc nominating committee shall recommend  
20 candidates to serve as President, Secretary, and Chief Financial Officer for the Board's  
21 consideration and elect Officers at a subsequent TIDA Board meeting, for a twelve (12) month  
22 term and, be it

23

FURTHER RESOLVED, That such ad hoc nominating committee shall recommend three candidates to serve on the Transportation and Infrastructure Committee for the Board's consideration and elect Officers at a subsequent TIDA Board meeting, for a twelve (12) month term and, be it

FURTHER RESOLVED, That the Board hereby urges Directors who are interested in serving as an officer of the Board or the Transportation and Infrastructure Committee to submit their names to the Treasure Island Director who will forward their name to the nominating committee for consideration; and, be it

FURTHER RESOLVED, That the ad hoc nominating committee shall cease to exist upon the TIDA Board's election of officers in accordance with the TIDA Bylaws.

## **CERTIFICATE OF SECRETARY**

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 2, 2015.

Jean-Paul Samaha, Secretary

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CITY & COUNTY OF SAN FRANCISCO



EDWIN M. LEE, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY  
ONE AVENUE OF THE PALMS,  
2<sup>ND</sup> FLOOR, TREASURE ISLAND  
SAN FRANCISCO, CA 94130  
(415) 274-0660 FAX (415) 274-0299  
[WWW.SFTREASUREISLAND.ORG](http://WWW.SFTREASUREISLAND.ORG)

TREASURE ISLAND DEVELOPMENT AUTHORITY  
DRAFT MEETING MINUTES

December 9, 2015 – 1:30PM

Room 400, City Hall  
1 Dr. Carlton B. Goodlett Place

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12/9/15  
**ORDER OF BUSINESS**

1. **Call to Order 1:45pm**

**Present**

V. Fei Tsen, President  
Larry Mazzola, Jr., VP  
Mark Dunlop, CFO (1:45)  
Linda Fadeke Richardson  
Jeff Kositsky (2:15)

GOVERNMENT  
DOCUMENTS DEPT

**Excused**

Jean-Paul Samaha, Secretary  
Hon. Jane Kim (Ex-Officio)

JAN - 8 2016

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2. **General Public Comment**

Tammy Powers, Bicycle Shop, would love to show the TIDA Board some bicycles but would need to schedule a meeting. One problem she sees with the bike share program is no helmets are provided.

Director Tsen asked that Ms. Powers bring the bicycles to the April on-island meeting. Mr. Beck will follow up.

3. **Report by Treasure Island Director**

Robert Beck, Treasure Island Director, reported on development and operation issues on Treasure Island. DPH and the Housing Providers have been providing additional outreach to promote the DPH TI Clinic and get feedback on programs. SFPUC has begun replacing lamps and lighting fixtures in the residential area with LED lamps. The Transfer Map was approved by the Board of Supervisors on 12/1. TIDA is continuing to

work with SFPUC and DPW to finalize subdivision regulations. Mobilization of the demolition contractor on YBI will occur around January 1. The Treasure Island demolition contract will be advertised early next year.

Director Mazzola asked the name of the demolition contractor. Answer: Silverado.

**4. Communications From and Received by TIDA**

There was no discussion on Communications by Directors.  
There was no public comment.

**5. Ongoing Business by Board of Directors**

Director Richardson commented that the TISC lease will be on the January agenda.  
Director Tsen commented that a housing overview will be provided.

There was no public comment.

**6. CONSENT AGENDA**

- a. Approving the Minutes of the October 14, 2015 Meeting
- b. Resolution Approving and Authorizing the Execution of a First Amendment to the Professional Services Agreement between the Treasure Island Development Authority and Rubicon Enterprises, Inc., a California nonprofit public benefit corporation, to increase the annual Scope of Services and not to exceed Contract Amount for Fiscal Year 2015-2016

There was no public comment.

Director Dunlop moved the consent agenda.

Director Richardson seconded the motion.

This item passed unanimously.

**7. IFD/CFD Formation**

Bob Gamble, PFM, reviewed entitlement documents, the project's financing plan, financing plan goals, and general project financing requirements. Mr. Gamble provided an overview of Infrastructure Financing District (IFD) and Community Facilities District (CFD) Financing. Mr. Gamble reviewed the reimbursement eligible expenses, process, and timeline for IFD/CFD formation. The Target for validation of IFD and formation of CFD is Q2-Q3 2016.

Director Richardson thanked Mr. Gamble for the level of detail in the presentation and made comments.

Director Dunlop asked who puts IFD/CFD together. Answer: Mr. Gamble works for outside firm (PFM) whom has oversight responsibility. A large team of City staff and consultants work together on formation.

Director Tsen made comments on the distribution of island-wide costs and projections of development costs.

**8. Resolution Establishing an Ad Hoc Nominating Committee, Consisting of Three Members of the Treasure Island Development Authority Board of Directors to Nominate Officers to Serve One Year Term.**

Director Tsen nominated Director Mazzola, Director Dunlop, and Director Tsen to serve on the Ad Hoc Nominating Committee.

Director Richardson moved the nominations.

Director Mazzola seconded the motion.

This item passed unanimously.

**9. Discussion of Future Agenda Items by Directors**

Director Kositsky asked about the expiration of affordable housing decision making time frames in the DDA. Mr. Beck said that this will be covered in the affordable housing presentation at the January TIDA Board meeting.

Director Fei commented that she would like to see a taskforce created to focus on the affordable housing program.

**10. Adjourn 2:25**

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, One Avenue of the Palms, Second Floor, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2nd Floor, One Ave. of Palms, San Francisco, CA 94130 during normal office hours.

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